

CONTINENTAL BILLING PRICES: AUSTRALIA \$68.16; BELGIUM Fr 25; DENMARK Kr 3.6; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 26; SPAIN Ptas 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; BIRE 200

NEWS SUMMARY

GENERAL Report critical of DC-10 checks

BUSINESS Gold record; Equities up 7.0

Faulty maintenance procedures, which caused both overheat and metal fatigue in the pylons...

Equities remained confident in spite of bad June banking statistics, and the FT 30-share index rose 7.8 to 475.7.



Skylab debris Debris from the Skylab space station could be falling to earth from midday...

London Gold Price: a record \$291.10 in New York, the Comex July settlement price was \$290.60 (\$291.30).

Security probe An investigation has been ordered into internal security at the British Army base at Dortmund, West Germany...

STERLING increased sharply to close at \$2.2225, a rise of 2.05 cents from Monday.

Refugee inquiry Malaysia is to investigate reports that Vietnamese refugees were raped and beaten by soldiers before being forced out to sea from a beach camp.

CRUDE OIL production in the UK was worth £2.5bn last year and could more than double in 1979...

Oilfield deadlock Negotiations between Egypt and Israel over the future of the Gulf of Suez have failed to progress.

REDDATH De Groot Caledonian, the oil platform construction yard at Methil, is to make up to 300 of its 800 workforce redundant by October.

TWA cuts Trans World Airlines is cutting out some flights between the U.S. and international destinations from the end of the summer because of fuel shortages and soaring prices.

PENSION FUNDS, insurance companies and overseas buyers have been cleared of charges of forcing up prices by buying 15-20 per cent of farm land sold each year.

Iran sabotage A previously unknown underground group, calling itself 'Black Wednesday', claimed responsibility for the sabotage of nine oil pipelines in Iran's southern Khuzestan province.

RCA the telecommunications and electronics group, and CIT Financial, the largest independent U.S. finance house, have ended merger talks begun last week.

Royal welcome Scores of swaying chanting grass-skirted girls welcomed Princess Anne as she flew into the Gilbert Islands to attend the independence celebrations.

UNION delegates at the TUCWU conference in Scarborough have urged the TUC to resist planned changes in labour law.

FT correspondent David Satter, a Moscow correspondent of the Financial Times, said the Soviet Foreign Ministry had renewed his accreditation for only six weeks instead of the regular six months.

MINERS in South Wales called off their threaten ballot on strike action over the closure of the Deep Duffry colliery after the National Coal Board decided to grant it a conditional reprieve.

Briefly Technical committee of International Whaling Commission approved ban on all commercial whaling in Indian Ocean for next ten years.

HENRY WIGFALL and Son, the retail and television rental group, reports pre-tax profits for the year ended March 31, 1979, up nearly 35 per cent at £1.85m (£1.27m). Turnover rose by £7.55m to £41.9m. Page 15

Arthur Fiedler, who brought classical music to millions as the conductor of the Boston Pops, has died, aged 84.

STATUS DISCOUNT pre-tax profits rose to £24.1m in the 28 weeks to June 15, 1979, against £16.2m in the same period of 1978. Page 18

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)

AGRICULTURAL land: report of the Northfield commission 16

EMI to sell half music business stake to Paramount

By MAX WILKINSON EMI plans to sell half its interest in the music business to Paramount Pictures, the U.S. company controlled by Gulf and Western Industries.

It is expected that Paramount will obtain 50 per cent of a new joint venture containing EMI's music publishing and record operations and a small music publishing subsidiary of Paramount's.

Gulf and Western is to contribute £70m, of which about £60m is expected to be in cash, and the rest will be its Famous Music Publishing Corporation at a value to be agreed, probably between £8m and £10m.

The transaction was negotiated by Lord Delfont only two months after taking over as chief executive from Sir John Reed, the chairman.

EMI's music business, including record pressing, publishing, retailing and studios, is spread between companies in 33 countries. With world sales of £436m in 1978 it is one of the leaders in its field, and has publishing rights to more than 250,000 songs.

The immediate reason for the deal is acknowledged to be shortage of cash. However, Lord Delfont said that, even without that need, he might have recommended the link.

EMI feels that it might find advantage in having a strong U.S. partner in the show business world, and both companies are looking at a future market for recorded video material.

EMI has come under increasing pressure recently as a result of falling profits from its worldwide music operations, added to losses in its medical division, which makes the body scanner.

Lord Delfont said yesterday that the company was suffering because of the cyclical nature of the music industry and because it had been unable to identify a style of music with wide public appeal.

David Lascelles writes from New York. For Gulf and Western, the EMI deal marks a further bold step in a now well-established pattern of diversification that has taken it into fields as disparate as slot machines and cement.

Last year G and W's leisure group, far the most profitable division, produced income of \$84.1m on revenues of \$802m. That is due largely to such immensely successful films as Saturday Night Fever, Grease, and Death on the Nile.

Present traffic tends to be the other way, with U.S. stars dominating the British market. EMI has thus come under increasing pressure in the UK from American rivals and has failed to retaliate in the U.S., where its Capitol label is still only third in the market.

The company's pre-tax profits in 1977-78 were only £26m on sales of £673m, compared with a profit in 1976-77 of £85m on sales of £851m. The results for the financial year just ended are expected to be considerably worse.

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Strikes threat as engineers talks fail

By Nick Garnett, Labour Staff

A NATIONAL engineering industry overtime ban from July 30, followed by one-day national strikes from August 6, have been called by the industry's unions after the collapse yesterday of negotiations on minimum pay rates.

The breakdown followed an improved offer from employers which was, however, still far from the unions' claim on money and conditions.

The unions' instruction to their members will apply to more than 1m workers in the 6,500 member companies of the Engineering Employers' Federation, together with another 1m workers employed in non-Federation companies but whose wage rates are affected by national negotiations.

The Federation is largely made up of general engineering companies, but includes some major manufacturers, such as BL, GEC and Vickers.

The one-day strikes have been set for August 6, 13, and 20, after which the Confederation of Shipbuilding and Engineering Unions will review the position.

Mr. Anthony Frobham, the Federation's director general, said the action might not, however, have much of an initial effect on the industry, where overtime working averages two hours per man a week.

A sustained period of action, however, would seriously affect the industry's ability to meet orders some of which would be diverted abroad.

The delay in imposing industrial action, because of the time it takes the Confederation unions to organise a dispute, appears to give some leeway for further negotiations.

Both sides, however, were very pessimistic about that possibility.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, ruled out any further meeting with the employers unless they made "meaningful improvements" on their last offer.

Federation companies will now be consulted on the outcome of yesterday's talks, but Mr. Frobham said it would be very unlikely that they would be given any mandate to improve the offer. The latest one was "generous by any standards."

It involves a £2-a-week increase on the last offer on the skilled minimum rate, lifting it from the present £60 to £70.

Corset limit exceeded by two big banks

By PETER RIDDELL, ECONOMICS CORRESPONDENT

TWO London clearing banks face Bank of England penalties because they have slightly exceeded the limits imposed by the official corset controls on the growth of their operations.

This is indicated by banking figures for mid-June published yesterday. These highlight the monetary pressures which led to the Budget decision to raise Minimum Lending Rate by two percentage points to 14 per cent.

Both bank lending and central government borrowing have remained very high and the money supply growth rate has continued to be above the upper end of the official target range.

This is the first time the clearer limits which restrict the rate of growth of interest-bearing eligible liabilities. These are a major component of bank deposits and hence the corset indirectly affects lending.

The two clearer above the limit have not been identified though one is probably Barclays. All the clearer yesterday admitted that the corset was now biting tightly.

The two banks are only slightly above the ceilings and they are still in the first penalty zone under which 5 per cent of the excess has to be deposited with the Bank free of interest.

The pressures have been reflected in a 1.3 per cent rise in £48.99bn in the month to June 20 in the eligible liabilities of the banking system as a whole.

For once this is probably a reasonably accurate guide to the growth over the period of sterling M3, the broadly defined money supply, which includes cash and bank current and seven-day deposit accounts.

Various other influences such as overseas residents' deposits and discount market transactions, probably offset each other.

A rise in sterling M3 of between 1 and 1 1/2 per cent last month would imply an annual rate of growth of roughly 13 per cent between October and June and of 15 to 16 per cent over the last three months. This compares with an official target range of 8 to 12 per cent which is being reduced to 7 to 11 per cent from mid-June onwards.

This rate of growth explains why the authorities have been reluctant to talk about an early cut in MLR, in spite of pressure from the building societies, until they have evidence of a slower rate of expansion.

Government sees chance for Rhodesia settlement

By PHILIP RAWSTORNE

THE GOVERNMENT intends to announce firm proposals for bringing Rhodesia to legal independence after the Commonwealth Conference in Lusaka, Zambia, next month.

Lord Carrington, Foreign Secretary, told the Lords yesterday that he believed a settlement of the 14-year rebellion, which would be acceptable to international opinion, was possible.

Lord Harlech, the Government's emissary, had found an encouraging recognition among African leaders of the major changes in the Rhodesian situation, he said.

But Lord Carrington emphasised that no final policy decisions had yet been taken.

The Government attached particular importance to the discussions it would have with Commonwealth heads in Lusaka, he said.

Further consultations would also be held in London this week, with Bishop Abel Muzorewa.

Lord Carrington said the Government was determined to take advantage of the opportunity now available to achieve a solution. "No purpose will be served by undue delay. There is no reason to believe that there will be a better chance of securing a solution next year or the year after that."

Raising cash

The company has been raising cash by selling interests recently. Its chain of restaurants was sold to Bejam and the leasehold of the EMI centre in Tottenham Court Road, London, was recently sold to Prudential Assurance for £33m.

The company's record business has suffered in a general slump in the market coupled with increasing costs, particularly for advertising.

More fundamentally, EMI has failed to repeat the great success of the 1960s, when it signed up many pop artists, including The Beatles, whose popularity swept from the UK across America.

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Sterling rises

Sterling rose sharply yesterday against all major currencies to regain some of the ground lost during the profit-taking on Friday and Monday. Demand was reported to be steady during most of the day and the pound closed 2.05 cents up at \$2.2225, while the trade-weighted index, measuring the value of sterling against a basket of other currencies, rose by 0.6 points to 71.0. This compares with a peak of 71.4 on Thursday morning.

Tables, Page 10 State borrows more, Page 8 NatWest raises personal loan rates, Page 8 Money Markets, Page 25 Lex, Back Page

£ in New York July 10 Previous Spot \$2.2195-2005 \$2.2065-2075 1 month 1.72-1.66 dis 1.78-1.72 dis 3 months 4.55-4.46 dis 4.50-4.40 dis

Burmah tanker dispute resolved

By PHILIP BOWRING IN JAKARTA AND IAN HARGREAVES IN LONDON

BURMAH OIL and its associates are to receive \$60m (£27.3m) over a three-year period in settlement of long standing claims against Pertamina, the Indonesian state oil company.

The payment to be made in four instalments, relates to deals involving seven crude oil tankers, which Burmah and others hold on long-term charter and which should have been employed by Pertamina.

Pertamina backed out of these deals in 1976, compounding the shipping problems of Burmah which had been the main cause of the company's financial crisis in 1974.

Burmah would not comment last night on the reported settlement terms, but confirmed that negotiations had been in progress for some time. "We hope that an announcement will be made within the next week," the company said.

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Advertisement for Hyster lift trucks, including images of various models and contact information for Barloworld.

Contents section listing various articles and their page numbers, including Agricultural land, Management, Lombard, mortgage rates, and Eurobonds.

Table of Chief Price Changes Yesterday, listing various commodities like Saga Holidays, Sandman, Oil Exports, etc., with their respective price changes.

French banks break interest rate tradition

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government's policy of encouraging industrial and commercial competition of which it has been extending to the service industries, seems to have won acceptance from the banking sectors.

Indications of a new policy on the part of the banks have come after the base rate was raised by two private groups, Credit Industriel et Commercial (CIC) and Credit Commercial de France (CCF), earlier this week.

Their new rates, up from 9.15 per cent to 9.45 per cent would normally have been followed immediately by the rest of the banking establishment. But so far, many of the big banks have stayed at the former level, despite the rising cost of the funds they are raising on the money market.

This breakdown in the common banking front follows only shortly after M. René Monory, the Economics Minister,

has expressed his hope that the banks would move towards more competitive attitudes.

Banks' rates, he said in a recent speech, should be related to their individual resources and to the realities of the market.

Despite M. Monory's remarks, the rest of the banking sector is expected to feel obliged to follow CIC and CCF before very long. Interest rates have been moving steadily higher in France this year after their low point of under 8 per cent in December, 1978.

The 48-hour dock strike called by the French Communist-led CGT union on Monday attracted 100 per cent support yesterday. The force of the response to the CGT call over a pay and conditions dispute which has been simmering since the beginning of the year is expected to lead shortly to new attempts to break the deadlock between the unions and employers.

Barre reaches oil accord with Iraq

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, the French Prime Minister, has obtained an undertaking that Iraq will supply France with about a third of its oil import requirements from next year onwards.

The promise was made by Mr. Saddam Hussein, the vice-president of Iraq's Revolutionary Council and effective head of the Government, during three days of intensive talks in Baghdad with M. Barre.

Although no new contracts were signed during the visit, Iraq is reported to have agreed to step up its oil deliveries to France from 35m tonnes in 1979 to at least 30m tonnes next year. This follows an increase in its oil exports to France from 20m to 25m tonnes this year, agreed

to by the Iraqi Government a few months ago.

Mr. Saddam Hussein was reported to have assured M. Barre, "that France could count on the continuity and security of its oil supplies from Iraq, and that every time France had an oil supply problem Baghdad would help it to find a solution."

The French, for their part, have undertaken to deliver a 70 MW experimental nuclear reactor to Iraq on schedule in 1982, despite the fact that it was seriously damaged by saboteurs on its construction site in the south of France earlier this year.

France is also prepared to step up its arms deliveries to Iraq, given Baghdad's desire to diversify its arms supplies, a large proportion of which now come from the Soviet Union. Further talks on arms are to be held soon.

Rupert Cornwell reports on the decision to name a Socialist as Italy's Prime Minister-designate

Pertini offers the politicians a stark choice

PRESIDENT Sandro Pertini's nomination of Sig. Bettino Craxi as the new Italian Prime Minister-designate has offered Italian politicians a stark choice. It is whether to seize the chance for a real transformation of the country's political life or, by rejecting the opportunity, to perpetuate and indeed harden the present deadlock.

The decision, which evidently surprised Sig. Craxi as much as the rest of Rome's cloistered political world, was very much Sig. Pertini's. The 82-year-old President has watched with ill-concealed exasperation as Italy's political parties wearily manoeuvre without success to try and create a stable government.

Italy has been without a government with a parliamentary majority for six months. Although the Communists lost most in last month's general election, neither Christian Democrats nor Socialists increased their authority.

After the entirely predictable failure of Sig. Giulio Andreotti, the outgoing caretaker Premier, to stitch together a new parliamentary majority, Sig. Pertini took full advantage of his constitutional right to call upon whoever he wanted.

Like so many political surprises, his choice, once made public, obeys a considerable, and perhaps unanswerable, logic.

Here one must briefly recapitulate the background to Monday night's announcement. First, the Socialists, whose 82 Assembly seats make their support crucial for any Government, had promised during the election campaign to ensure that the country could be governed afterwards. Second, by their refusal to back Sig. Andreotti, they had ensured his failure—his almost certain that of any other Christian Democrat asked to try next.

Third, the smaller parties (Liberals, Republicans, Social Democrats and Socialists) had urged Sig. Pertini to go for a non-Christian Democrat politician. Fourth, the Socialists had indicated that, even in this situation, they could offer little more than their abstention.

Meanwhile the Christian Democrats had made clear that if they were to give up their 34-year grip on the Premiership, the Socialists would have to enter not just the majority but also the Government.

All this gives an idea of the complexity of current Italian politics. Sig. Pertini took the initiative by calling upon Sig. Craxi. In doing so, he has put



President Sandro Pertini, left and Sig. Bettino Craxi, the Prime Minister-designate.

everyone on the spot, not just the Socialists, his own former party. The politicians will have to make clear where they stand, in the knowledge that a further failure of two could precipitate yet another general election, something everyone agrees would be a disaster.

The country urgently needs a Government capable of taking concrete measures on energy, of holding down inflation and of facing the threat of a new world-wide recession, from which Italy will not be spared. In addition it must tackle chronically inept public administration and an excessive public sector deficit.

So what will Sig. Craxi do and what are his chances of success? From the Socialist point of view, midway in the national political spectrum, every option is in theory open to him. But his own social democratic leaning and parliamentary arithmetic make it virtually inconceivable that he will attempt the course of the "left-wing alternative" — a form of popular front — or succeed in bringing the Communists directly into Government. This move would be vetoed by the Christian Democrats, comfortably the largest single party with 262 of the 630 Assembly seats.

A realistic forecast, therefore, must be cautious. Yet the situation is not entirely without hope, if only because of the external pressures on the parties. To succeed, Sig. Craxi must somehow remove the doubts of the three largest parties: Communists, Christian Democrats and Socialists. The problems overlap and consummate political skill will be required.

At 45, Sig. Craxi is young by Italian political standards, and notable perhaps less for his finesse than for his boldness and energy. It was these qualities above all which helped him to wrest control of the Socialist Party after his wretched showing in the June 1976 general election. Since then, his position has been uneasy, as a result of the division between Social Democrats and Socialists which plagues his party. To the discomfort of the latter, Sig. Craxi last summer embarked on an ideological crusade against the Communists to build an independent Socialist image.

Now, however, he first has to assuage the doubts of the left on whether the Socialists would not be digging their own grave by joining, even heading, a Government which allowed the Communists alone to reap the rewards of opposition. This may be possible only if the Communists can be induced to drop their present line of wanting to be either in Government or in opposition, and at least offer abstention to a Socialist administration in which they did not participate.

The debate and uncertainty which are besetting the Communists now, after the stunning electoral verdict on three years of external support for Christian Democrat Government, may make this proposition doubtful. But if the Communists remain aloof, the "alter native" of a Socialist administration would look a lot simpler so the discredit centre-left formula embracing Christian Democrats and Socialists in the 1960s.

Greece and Turkey agree to continue Aegean talks

BY OUR ATHENS CORRESPONDENT

GREECE AND Turkey have agreed to continue talks on Aegean issues. A joint communique issued yesterday after two days of discussions between Mr. Byron Theodoropoulos and Mr. Ozdemir Yigit, secretaries-general of the Greek and Turkish Foreign Ministries, said a fifth round of talks would be held later in Ankara.

The communique said the two sides were convinced that the meetings would lead to progress. The discussions were started by the Prime Ministers of the two countries at a meeting in Montreux in March last year.

However the wording of the latest communique indicated that little if any progress has been made towards resolving disputes which have more than once brought the two states to the brink of war.

The three main questions under discussion are: division of the Aegean continental shelf between the two countries; re-opening air space which has been closed since the Turkish invasion of Cyprus in 1974; and treatment of minorities in both countries.

The negotiators are also reported to be working on a document, which might include a non-aggression clause.

The Greeks insist that Cyprus is not an issue and the two sides appear to have decided to let Greek and Turkish Cypriots settle their problems separately.

AP-DJ reports from Athens: Flight engineers of Olympic Airways, Greece's national carrier, last night called a four-day strike to protest against the dismissal of four of their colleagues. The four men were dismissed during a previous strike six weeks ago.

Turkish police hold terrorist suspects

By Metin Munir in Ankara

THE TURKISH police have arrested a student who has confessed to the most far-reaching political assassination in the country, according to the Turkish newspaper Milliyet. The victim was newspaper editor Mr. Abdi Ipekci, who was often seen as embodying the philosophy of the founding fathers of modern Turkey.

A 22-year-old university student has confessed to the murder, saying he did it to discredit the Government. "I am neither left nor right-wing," the student is quoted as saying in yesterday's Milliyet. But the newspaper claims to have found links between the student and organisations connected with the extreme right-wing Nationalist Action Party of Mr. Alparslan Turkes.

Oil cost will cut German growth

BY TERRY DODSWORTH IN PARIS

THE NEW level of oil prices agreed by OPEC will add about 1 per cent to domestic prices in West Germany over the next 12 months, according to a forecast from the Organisation for Economic Co-operation and Development (OECD) yesterday.

In addition, the higher price of energy is expected to reduce the growth of real Gross National Product (GNP) by around the same amount, and reduce the current external surplus by some \$1.75bn.

These adjustments have been made to forecasts given in the latest OECD economic survey of West Germany, published today.

In the original report, written before the OPEC meeting which raised oil prices in June, West Germany's GNP was expected to fall in the first half of 1980. An annual growth rate of 3 per cent is forecast for the second half of this year, but this will fall to 3.25 per cent in the first six months of next year.

The overall growth rate in 1979 is calculated at 3.75 per cent.

The original forecasts on prices, now expected to rise faster because of the oil price increases, indicate growth of 3.75 per cent between 1978 and 1979, up from 2.6 per cent in 1968.

A slightly lower rate of increase is forecast for the first half of 1980.

Import volumes, in line with Germany's commitment to stimulate trade, are forecast to go up rapidly during 1979, but to slow early next year. Combined with a downward trend in the balance of invisibles, this is expected to lead to a reduction in the current account surplus to about DM 9.5bn (\$2.5bn) this year, compared with DM 16.1bn in 1978.

The report concludes that the past 12 to 18 months have seen a considerable improvement in Germany's economic position, and that prospects for continued expansion this year seem favourable.

With continued strong import growth, and a deterioration in the terms of trade, leading to a marked decline in the current account surplus, West Germany is contributing to the adjustment in the international balance of payments, the OECD says.

Protest over East Berlin

MOSCOW — The U.S., Britain and France have formally protested to the Soviet Union over the East German Government's abolition of one of the last symbols of four-power authority in East Berlin, the U.S. embassy said yesterday.

The protest was about a vote by the East German People's Chamber, the Volkskammer, last month to end the appointment of its 66 East Berlin deputies to the East Berlin City Council.

The move, obviously made with Moscow's approval, is regarded by the Western allies as the most serious breach to date of the 1971 four-power agreement on Berlin.

The protest said East Germany had violated wartime and post-war agreements on Berlin, including the 1971 accord, which the Soviet Union had signed.

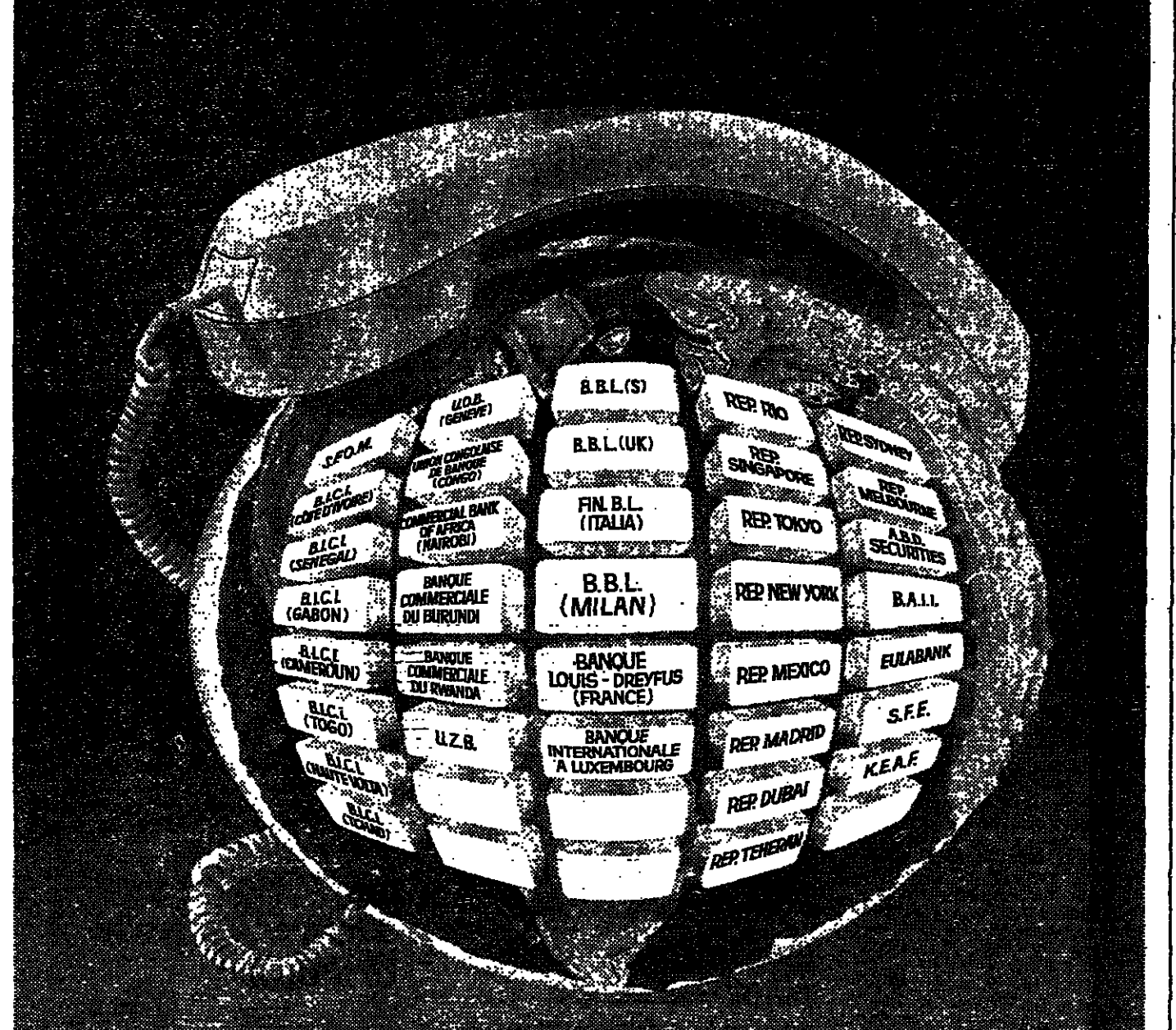
The protest also stated that the U.S., Britain and France wished to place clearly on the record that no unilateral decision by East Germany can affect the legal position of Greater Berlin which remains unchanged.

Italy unions attacked

Sig. Guido Carli, the president of the Italian Industrialists Confederation, attacked union demands for shorter working hours yesterday, at a critical stage of negotiations for new three-year labour contracts, AP-DJ reports from Rome.

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هكمان الأهل

Handwritten note: *July 11 1979*

Veil backed for president despite new opposition

BY ELMOR GOODMAN IN LUXEMBOURG

THE LIBERAL GROUP in the European Parliament yesterday decided to back Mme. Simone Veil, the former Minister of Health in the French Government, as their candidate for the Presidency of the new Parliament. The decision was taken despite signs of opposition to Mme. Veil in some of the parties on the Centre Right of the Parliament, whose support she will need if she is to be elected next week.

The odds are still on Mme. Veil, however, although pressure may be put on Sig. Colombo, the Christian Democrat President in the old Parliament, to stay on. The European Democratic Group, previously known as the Conservative Group, will probably support Mme. Veil, however. She has been asked to address them this morning. Yesterday their feeling seemed to be against fielding a candidate of their own, even for the first round, but they were unable to

agree on backing one particular Liberal. At the Liberal meeting yesterday afternoon, Mme. Veil got 20 votes to M. Thorn's 16, and will therefore go forward as the candidate. The opposition to Mme. Veil came to a head at a private meeting of Christian Democrats yesterday. Some Democrats felt that she was too closely associated with abortion reform for some of the Catholics in the delegation, particularly those from Ireland and Italy. There was also a feeling that she was too closely identified with the policies of President Giscard. Three conditions for supporting the Liberal candidate were put forward, which effectively ruled out Mme. Veil. The Liberals, the Christian Democrats and the Conservative group in the last Parliament have agreed that it is the Liberals' turn to provide the Presidential candidate, and by voting together, these parties

could defeat any other alliance. Over the past few days some Christian Democrats have suggested that Mme. Veil, who was elected on the Giscardian list and only recently rejoined the Liberal fold, was not the right person for the job. Instead, they felt the Liberals might do better to put forward M. Gaston Thorn, the former Prime Minister of Luxembourg, though not all the British Tories would have been happy with this choice. Yesterday also saw the formation of what will almost certainly be the smallest and possibly the shortest-lived of the political groups in the European Parliament. Called the Group for the Technical Co-ordination and Defence of the Independent Groups and Members, it was formed by a band of independent MPs who are united by a general feeling that the big groups ought not to have things entirely their own way.

French economy slowing down

BY ROBERT MAUTHNER IN PARIS

THE FRENCH economy, which seemed set for a consumer and export led boom forward at the end of last year, entered a much less buoyant phase in the second quarter of this year, according to the latest study by the Patronat (French employers' federation). During the past few months, demand for consumer and capital goods has flagged, and industrial investment remains at a low ebb. With the exception of the computer and electronic industries, order books are thinning out, and stocks are generally considered to be too large. The sharp increase in oil prices since the beginning of the year, which has undermined export prospects and increased

inflation, has been a main reason for the hesitant investment climate. Another factor has been the continued fragility of French companies. According to the Patronat, the more rapid growth of company profits in 1978 and the beginning of this year has been sufficient only to reduce indebtedness and the growth of financial charges. But it has not been enough to spark off a genuine resumption of investments. The slowdown in consumer demand is attributed by the employers' federation to higher wages by households, the rise in social security contributions since the beginning of the year, and accelerated price rises. The Patronat nevertheless

considers that the French economy is better prepared than it was five years ago to face the problems caused by the increase in oil prices, thanks to the recent fundamental restructuring of key industries and the progressive modernisation of industrial plants. The employers' federation, which foresees no real recession either in France or the industrialised world as a whole, nevertheless emphasises that continued expansion depends more than ever on the reinforcement of the competitiveness of French industries. That, in turn, implies that industry should not be made to bear the full burden of the increased oil bill, and that wage and salary increases should be strictly limited.

Tony Hawkins in Salisbury and Martin Dickson in London examine the implications of an end to Britain's Rhodesia sanctions

Zimbabwe's need for peace



Bishop Abel Muzorewa, Zimbabwe's Prime Minister

A FORECAST by a British Minister five years ago that economic sanctions against Rhodesia were likely to be lifted would have induced euphoria in Salisbury and a flood of British and other businessmen anxious to exploit new economic opportunities. But Mrs. Thatcher's recent prediction that Parliament was unlikely to renew sanctions in November has not so far had this kind of impact. There are several reasons why this should be so, including doubts whether the Conservatives really will lift sanctions in the face of international hostility and fears that they may demand changes in the Zimbabwe-Rhodesia constitution which could further reduce white morale. But behind the sober reaction to Mrs. Thatcher's words also lies the knowledge that a lifting of sanctions by Britain may not radically transform the position of the embattled state.

For one thing, it is unlikely that many other states, if any, would follow Britain's lead. Even if they did, the guerrilla war, which is far and away the main problem facing Zimbabwe Rhodesia, would continue and possibly escalate. The economic and political benefits of an end to sanctions are unlikely to be anything like as great now as they would have been a few years ago. The mechanics of ending sanctions by Britain are simple. Parliament merely has to fail to renew the Orders in Council imposing sanctions which have been introduced every November since 1965. It seems certain that the Soviet Government, which backs the Patriotic Front guerrilla movement, would veto any attempt to pass such a resolution. Thus, Britain could find itself acting in defiance of a UN resolution which it introduced in the Security Council. It has been authoritatively estimated that a general lifting

of sanctions would represent a foreign exchange earnings improvement for Zimbabwe Rhodesia of between 15 and 20 per cent, which in money terms probably means about £100m a year. Mining and agricultural exporters—copper, chrome, nickel, asbestos, tobacco, sugar, citrus and beef—would benefit but this has to be set against a darkening international economic situation with depressed demand and prices for many of Zimbabwe Rhodesia's chief exports of industrial raw materials. Moreover, the physical capacity for increased output and transport of exports does not exist. The war, the exodus of white skills (there has been a net loss of nearly 30,000 whites in the past 18 months), the transport bottleneck (itself partly a result of guerrilla activity), the disruption of agriculture (especially the peasant sector arising from the hostilities) and the call-up which affects all white men aged between 18 and 59 impose a limit on the country's capacity to expand export volumes. It has always been assumed, in the past, that the lifting of sanctions would spark off heavy international investment in Zimbabwe Rhodesia, including substantial bilateral and multilateral aid flows. But this seems extremely remote under present conditions. Apart from its impact on the availability of skills, on morale and output throughout the economy, the war is imposing a severe burden on the country's public finances. It is costing more than a million Rhodesian dollars (£875,000) a day and is likely to absorb about 40 per cent of state spending in the next budget. Thus, Government plans for heavy spending on education, health facilities and on

Angola states terms for investors

By Quentin Peel in Johannesburg

THE FIRST CLEAR step to bring foreign investors back to Angola has been taken by the Angolan Government with the publication of a new law setting out its attitude towards private foreign capital. The law, which covers all aspects of economic activity apart from the oil industry, allows for the repatriation of profits, provides guarantees of compensation in the event of nationalisation, and holds out the prospect of exemption from tax and from customs duties. It follows a policy speech by President Agostinho Neto at the anniversary celebrations of the ruling Popular Movement for the Liberation of Angola (MPLA) in December. He declared that friendly relations could be established with non-socialist countries and private enterprise could be allowed to operate within the country. A major provision of the new law is that projects must be framed in terms of the country's national development plan. The Government would retain control over accounts and personnel training programmes. Foreign capital may not be invested in certain strategic areas of state control, such as defence, banking, insurance, telecommunications, electricity and water supply. A normal time-scale of 10 to 15 years would be put on investment projects. Details were broadcast by Radio Luanda. According to the broadcast, both joint companies and wholly owned enterprises will be allowed to operate, the latter in areas of export production and import substitution. Joint companies would normally be 51 per cent Government-owned, although a lower Government stake could be negotiated in situations of "recognised national interest."

Spanish pact on industrial rights

BY DAVID GARDNER IN MADRID

SPANISH EMPLOYERS and Spain's second-largest trade union, the Socialist Union General de Trabajadores (UGT), yesterday signed an agreement defining the rights of both sides of industry. This is the first such agreement since the recognition of free trade unions in 1977. Meanwhile, the Communist-led Confederacion Obrera (CCOO), the largest union, has called a national stoppage today in an attempt to make the Government modify the labour legislation it will soon put before Parliament. The CCOO is not a party to yesterday's agreement. The CCOO move casts doubt on the usefulness of the agreement between the UGT and the Confederacion Espanola de Organizaciones Empresariales (CEOE), the Spanish equivalent of the CBI. The agreement defines the rights which workers and

employers are prepared to concede each other, described by both sides as "the rules of the game." It also tackles two of the most difficult problems in Spanish labour relations—the "laudo" system, and whether this year's salaries are to be realigned with the consumer price index. The "laudo" is a system of compulsory government arbitration inherited from Franco, which has become a target for bitter union hostility. The agreement states that "laudos" will be invoked only in "cases of public interest." On salaries, the agreement forgoes the renegotiation of wage agreements envisaged in last December's decree limiting this year's wage rises to 11.14 per cent, subject to revision if the consumer price index exceeded 6.5 per cent by the end of June. The CCOO leadership is due

to discuss wages with the employers' organisation on Friday. It is going ahead with today's half-hour national stoppage—without precedent in the last three years—in an attempt to force the Government into withdrawing plans which would effectively reduce the right to strike. This difference over union policy reflects the divergent strategies of the Socialist and Communist parties, which control the UGT and CCOO respectively. This emerged in last year's abortive Government attempt to arbitrate a "social contract," which broke down because the UGT insisted on direct negotiations between unions and employers while the CCOO wanted the main opposition parties included. Perhaps the most important feature of the CEOE-UGT agreement is that it was reached without Government intervention.

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studies, interpretation of technical data, empathy with the non-banking experts involved in the project—our level of

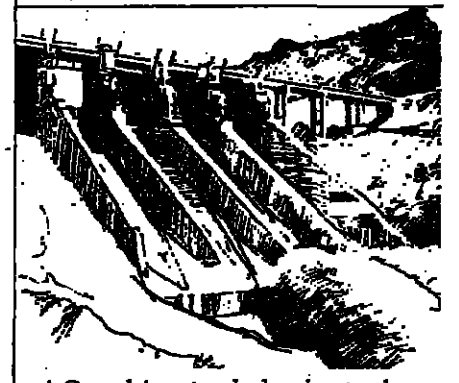
In addition, we at LBI have experts in the right places round the world with the local knowledge to put resources together in exactly the right way. This on-the-spot representation by skilled professional bankers is one of the major assets of the bank. A major resource, if you like.

our trust department helps you and your key internationally-based staff to solve a host of legal, taxation and insurance problems.



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A Central American hydro-electric scheme which LBI helped to finance.

involvement in this complex aspect of finance is only matched by the skills we can bring to bear.

Among major projects in which we have been involved are a large shipyard development in the Republic of Korea, an iron ore mine in Brazil and an aluminium smelter in Dubai.

Export credit—the know-how

Often a vital part of international financing is the provision of an export credit package, plus the necessary guarantees. The Lloyds Bank Group holds around 25% of the market for foreign currency export credits originating in the UK.

Skills in major project financing

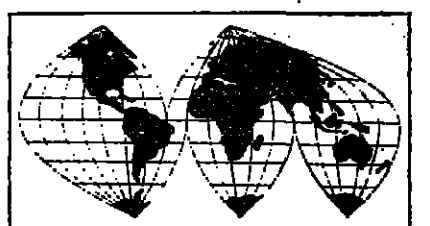
Project finance, while it contains a very large funding element, calls for an ability to mobilise a wider range of resources than purely financial ones. Feasibility



finance from an international point of view, helping you to raise capital in the most efficient way or to make the best use of the money you already have available. Here, our money management service plays a vital part, enabling corporate customers to use the banking systems of the world in a way that maximises return or minimises borrowing requirements. Our investment services broaden the opportunities available to make the best use of your existing funds, either short- or long-term. And to complete the catalogue of the resources we have immediately on call for you,

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BANCA NAZIONALE DELL'AGRICOLTURA

Registered Office and Head Office: Rome

ANNUAL GENERAL MEETING APRIL 30, 1979

- The Annual General Meeting of the Shareholders of Banca Nazionale dell'Agricoltura, held in Rome on April 30, 1979, approved the Balance Sheet for the financial year 1978, showing a net profit of 15.5 billion lire after provision for appropriations, bringing the Bank's capital and reserves to almost 170 billion lire. The Meeting resolved upon the distribution of a dividend of 175 lire on each 500 lire share.
- During 1978, the Bank proceeded with the policy of selective diversification of the sources of deposits and of lending operations. At the year-end private customers accounted for 69.1 per cent, businesses for 24.6 per cent and the public sector for 6.3 per cent of total deposits. The breakdown of loans outstanding at the close of the financial year was as follows: private customers 5.9 per cent, businesses 92 per cent and the public sector 2.1 per cent. As at December 31, 1978, total operating funds amounted to 7,500 billion lire (+33.3 per cent versus end-1977), including customers' deposits for 5,000 billion lire (+25.2 per cent). At 3,100 billion lire, lendings to customers show an increase of 17.1 per cent compared with the position at end-1977.
- The Meeting also resolved upon the increase of the share capital of the Bank from 24 billion to 36 billion lire, through the issuance of 24 million new 500 lire shares, ranking for dividend as of January 1, 1979; for every four shares held at the date of the Meeting, Shareholders are assigned one free-issue share and the option to subscribe one rights-issue share.
- The Meeting then proceeded to the appointment of a Director, in the person of Giuseppe Pirozzi, who had already been co-opted by the Board of Directors. The Board of Directors is now composed as follows: Giovanni Auletta Armenise, Chairman; Emilio Barilla and Alfonso Gaetani, Vice-Chairmen; Goffredo Gambarara and Ulpiano Quaranta, Managing Directors; Enzo Badioli, Enrico Bassi, Mario Carrobbio di Carrobbio, Domenico Genoese Zerbi, Pier Francesco Leopardi, Enrico Merlo, Giuseppe Mormile, Giuseppe Pirozzi, Francesco Santa Maria, Vincenzo Schiavone Panni, Giovanni Vender and Giuseppe Violante, Members. The Secretary of the Board is Andrea Lupi. The Board of Auditors is composed of: Carlo Merlani, Chairman; Claudio Bianchi, Valentino Giannotti, Renato Guaitoli and Raoul Testa, Standing Auditors; Manlio Gallano and Andrea Salvigni, Alternate Auditors.

KEY BALANCE SHEET FIGURES		
OPERATING FUNDS	DEPOSITS	LENDINGS
L.7,463,877,558,276	L.5,026,223,535,910	L.3,122,758,516,703
CAPITAL AND RESERVES NET PROFIT 1978		
L.1,169,719,995,844	L.15,541,915,301	

OVERSEAS NEWS

AMERICAN NEWS

Israel and Egypt fall out over Gulf of Suez oil

BY DAVID LENNON IN TEL AVIV

NEGOTIATIONS BETWEEN Egypt and Israel over the future of the Israeli-operated oilfield in the Gulf of Suez have failed and the issue will probably be taken up by Mr. Menahem Begin, the Israeli Prime Minister, during his talks in Alexandria with President Sadat today.

Neither was Egypt interested in the Israeli suggestion that it purchase the equipment being used to operate the field for a price of \$30m. American oil men have said that this price was unrealistic. Monday's meeting broke up without any date being set for further discussions.

The main aim was, according to the officials, to produce a calm atmosphere — away from the pressure of their previous meetings — in which the two men could cover a range of issues. Anthony McDermott in Cairo adds: The Egyptian General Petroleum Corporation is expected to sign a production sharing agreement with Total of France tomorrow. Under the terms of the agreement, Total is to spend \$16m over eight years on an offshore concession of 400 sq km at the northern tip of the Gulf of Suez.



Colonel Chadli — a smooth transfer of power

Algeria's mood of confidence

By Francis Ghies

Algeria is a confident country today: six months ago it lost a charismatic leader in Houari Boumediene but the succession of the new Head of State, Chadli Bendjedid, has passed smoothly. The release last week of the first Head of State, Ahmed Ben Bella, from the strict house arrest under which he was kept since being deposed in 1965, would appear to set the seal on a policy of slow liberalisation of Algerian politics which will eventually lead to greater freedom of expression for the country's 15m people.

Japan wholesale prices rise

BY RICHARD C HANSON IN TOKYO

JAPAN'S wholesale price index in June continued to rise with signs that price rises are broadening further into consumer products. The Bank of Japan said yesterday the index last month was up 1.3 per cent from May and 5.2 per cent from a year ago to stand at 110.6 (1975=100).

Wholesale prices have been rising steadily over the past eight months, accelerating during the latest quarter to monthly gains of 1.7 per cent in April and 1.6 per cent in May. These translate into annual rates of 22.8 per cent, 21 per cent and 16.4 per cent for June.

Prices of lumber and wood products also have risen steeply, up 7.6 per cent. This, combined with oil price increases, accounted for 0.7 per cent of the 1.3 per cent June increase. The latest increase in oil prices will continue to put pressure on prices in July.

Dearer petrol for S. Korea

By Ron Richardson in Seoul

THE SOUTH KOREAN Government has approved a sharp increase in the price of all petroleum and petrochemical products, passing on to the consumer the latest OPEC oil price rise and partly anticipating a further crude oil price rise. The average price of all direct petroleum products has risen overall by 59 per cent, with a gallon of premium-grade petrol now £1.84.

Iranians in India talks on jeopardised iron ore plant

BY OUR FOREIGN STAFF

A \$650m IRON ORE project in North West India is in jeopardy because of the revolutionary changes that have occurred in Iran since the overthrow of the Shah.

The project, a joint venture between Iran and India, is located at Kudremukh in Karnataka State. Iran was to invest cash for the project, while repayment would be made in the form of iron ore.

Stronger position

Recent changes in the Middle East and the increase of the price of oil have strengthened Algeria's hand in foreign policy and turned what was, only two years ago, a "hawkish" position both on the Palestinian issue and on oil prices into a middle-of-the-road one.

The tide has also been turning in favour of the Algerians in the Western Saharan crisis. The Polisario Front, which since November 1975, has been fighting against the Moroccan-Mauritanian occupation of the former Spanish colony has scored significant victories in recent months. It has proved it can strike deep inside Morocco's internationally recognised boundaries and has been recognised by a growing number of countries, not least Spain.

Energy Department suffers lack of credibility

U.S. public finds fuel crisis villain

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE RESIGNATION OF Mr. John O'Leary from his position as number two in the Energy Department was not called for by President Carter as part of his current reevaluation of U.S. economic and energy policies, officials said yesterday.

It is widely agreed here that the Department of Energy is as well-served in a leaked memorandum to Mr. Carter by Mr. Stuart Eizenstat, the White House Domestic Affairs Counselor suffering from a great credibility problem. There is minimal public perception about what it is trying to do in allocating supplies of fuel and oil.

The Department was also caught on the hop this spring because it was dismantling at least part of its regulatory apparatus in anticipation of the Presidential decision to phase out price controls over domestic oil. A policy consistently advocated by Dr. Schlesinger, Mr. O'Leary and his assistants.

President Carter's loyalty to his subordinates is known to intensify, if anything, when they are under fire. But in not budging from his support of Dr. Schlesinger, he exposed Mr. O'Leary to more of the political heat.

Post monopoly could be ended

BY JOHN WYLES IN NEW YORK

THE U.S. postal service, which has been sinking in public esteem because of rising charges and allegedly deteriorating reliability, has bowed to public pressure with a proposal for partially lifting its monopoly of first class letter deliveries.

Letters sent more than 50 miles would have to arrive within 12 hours or by 10 am the next day. Certain exemptions from the time requirements could be obtained if the senders could establish that the letters would add value without guaranteeing delivery by a private service.

At the same time, high speed delivery of small packages is dominated by a relatively new company, Federal Express, while the postal service's share of this \$1.3bn market is less than 7 per cent.

SALT treaty 'will not stop NATO sales'

By David Buchan in Washington

THE SALT II treaty leaves the U.S. free to sell, if need be, Trident nuclear missile submarines to Britain or sea- and ground-launched Cruise missiles to its NATO allies.

Outspoken publisher under attack

BY OUR U.S. EDITOR

MR. WILLIAM LOEB, the outspoken and controversial owner of the Union Leader newspaper in Manchester, New Hampshire, is being obliged to sell a quarter of the newspaper's stock as a result of an out-of-court settlement of a suit which charged him with mismanaging an employees' pension fund.

The ultraconservative publisher makes the national headlines once every four years, when his state holds the first presidential primary election. He tends to attack his selected targets with rare venom and, in 1972, destroyed the ambitions of Senator Edmund Muskie, the Democratic front runner, who broke down and cried after a particularly vicious attack on his wife.

Mr. Loeb has dismissed the suit against him as an attempt by Democrats in Washington to minimise that influence. In setting out of court, Mr. Loeb admitted no wrongdoing in the action brought by a former employee who, on retiring three years ago, was advised that he had accumulated only a little over \$4,000 in pension rights after 28 years of service with the newspaper.

Stressing allied backing for SALT II in the second day of treaty hearings on Capitol Hill yesterday, Mr. Vance reassured senators that the arms pact "will not affect existing patterns of collaboration and co-operation" with NATO allies.

THIRD WORLD BORROWING Shopping around private banks

BY BRIJ KHINDARIA IN GENEVA

PRELIMINARY figures suggest that loans from private banks to developing Third World countries in 1978 grew twice as fast as capital flows from international institutions and official aid, according to an economic survey prepared by the UN Secretary-General for the UN Economic and Social Council.

Such borrowers are showing growing interest in Eurocurrency transactions in Deutsche-Marks, Swiss francs, yen and French francs, although they still rely mainly on the U.S. dollar.

The large increase of foreign income probably explains why Sonatrach has reduced its borrowing rate to \$900m from the amount raised during the first half of this year. Algeria's external debt was estimated at \$8.9bn at the end of 1978.

Foreign income

The large increase of foreign income probably explains why Sonatrach has reduced its borrowing rate to \$900m from the amount raised during the first half of this year. Algeria's external debt was estimated at \$8.9bn at the end of 1978.

OIL IMPORTS BILL SOARS Brazil prepares to put its economy on 'war' footing

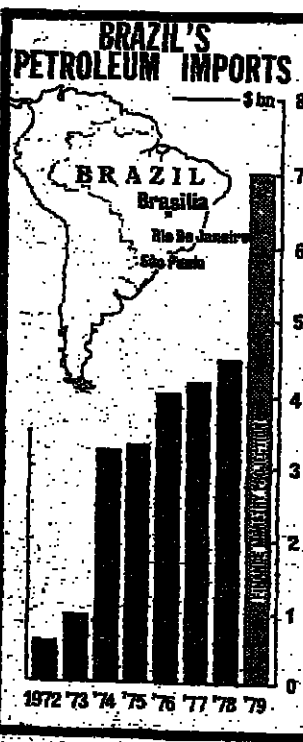
BY DIANA SMITH IN RIO DE JANEIRO

PRESIDENT Joao Figueiredo of Brazil wants to create what he calls "a war economy or something similar" to overcome the effects of the two OPEC oil price increases this year.

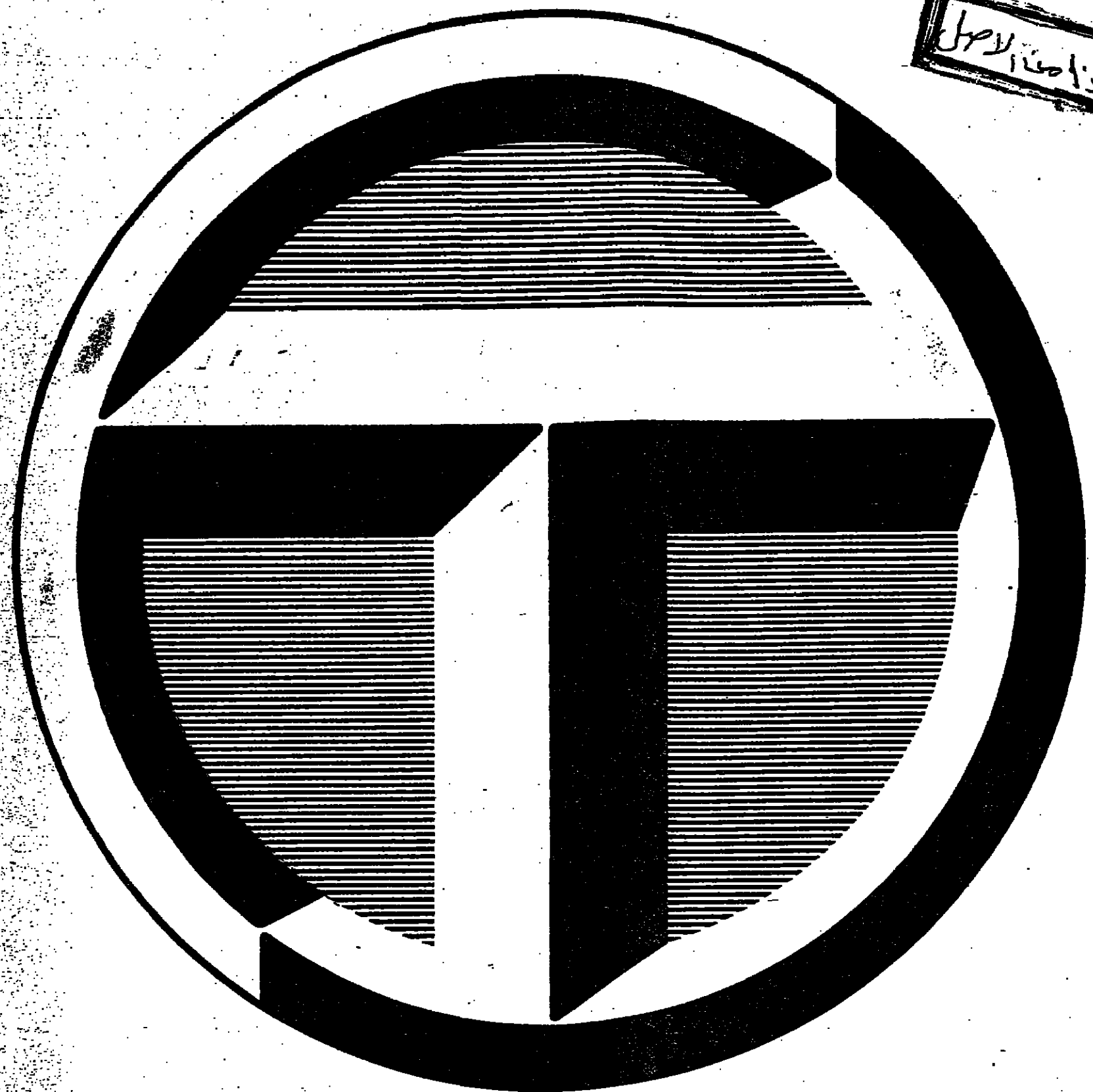
But like his North American colleague, President Carter, who declared the "moral equivalent of war" on energy problems, he may find it difficult to enlist public support.

Brazil has been severely hurt by this year's price increases. It must spend at least \$7bn on crude imports of 1m barrels a day, compared with \$4.5bn on imports of 850,000 b/d in 1978.

Although official spokesmen were anxious to stress that these new priorities did not mean cutbacks in public investment or the threat of a major recession, others are less sure.



شركة تالوت



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Talbot makes you a promise - that in Talbot you will rediscover the sheer pleasure of driving a car. Talbot intends to design and

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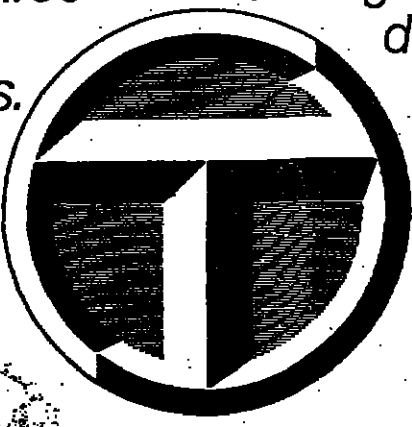
Cars that use electronic innovations to increase driving satisfaction. Cars engineered to make the best use of every precious drop of fuel. Cars that are a joy to look at, dependable to drive, cars provided with a host of active safety features. Talbot makes you this promise.

And the Talbot name is a proud one. The cars it puts its name to are already evidence of this.

The Alpine and the Horizon are already winners of the coveted Car of the Year Awards in their own right. These are on-going Talbot models. The Sunbeam

now extending its range with a 16-valve Lotus engined version, this too becomes a Talbot. And the Avenger, in both saloon and estate form, will go on developing even more car for your money as a Talbot Avenger.

And Talbot has new cars coming along soon. Cars that, like all the Talbot range, will be dedicated to that essential Talbot promise - The sheer pleasure of driving a car.



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السوق المالية



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Our Vehicles

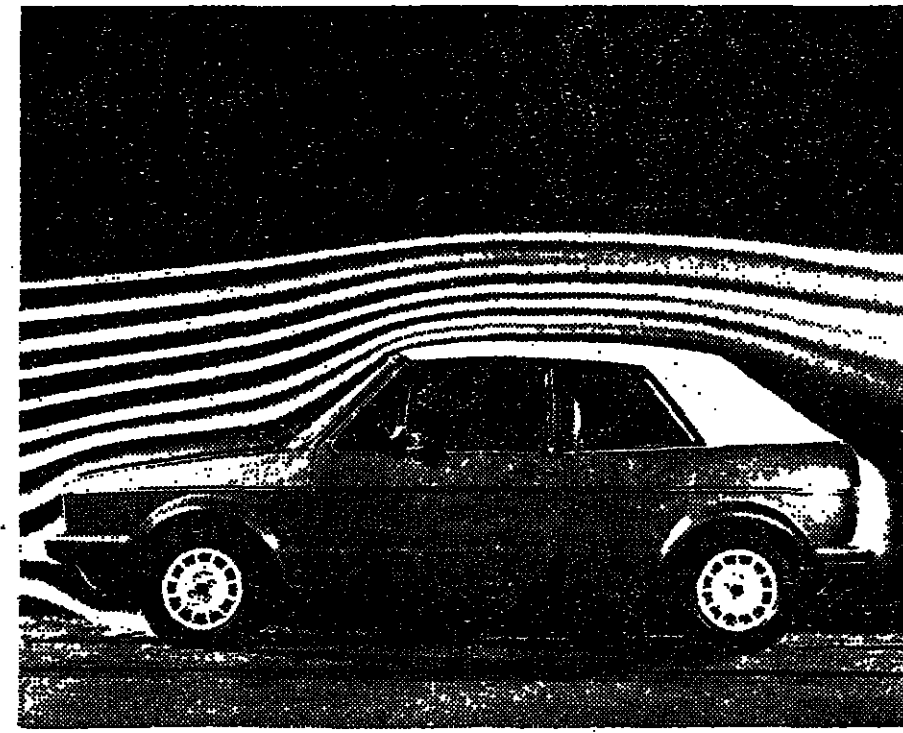
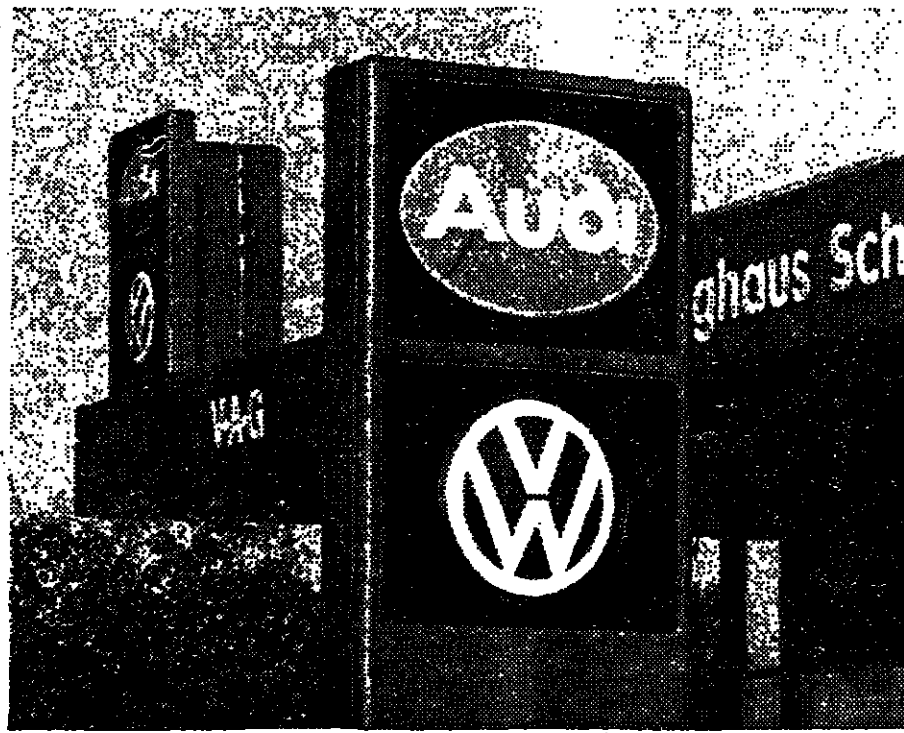
The price of success is constant effort. For this reason we have not let ourselves rest on our laurels. Instead, we've brought out a completely new model range in exceptionally little time. Today, our vehicle line includes 5 passenger cars: Polo, Derby, Golf, Passat and Scirocco. In addition, there are the Commercials and the LT line from 2.8 to 4.5 metric tons. Every one of these vehicles is an exceptional success. This sales success is not just a matter of chance. The research behind the development of the new Volkswagen generation has been more intensive and more costly than ever before. We have devised new technological means of making our vehicles more comfortable, more economical and safer. We have developed new engines, including one of the most advanced diesel engines in existence. And we have done everything possible to maintain the quality, economy and reliability that we have been known for since the Beetle's first appearance.

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In order to be successful on every market, it is not enough simply to build good cars. It is just as important to have a marketing organization which is able to sell these vehicles with energy and service them with diligence. Since 1978 our marketing organization has appeared under unified name V.A.G. The Volkswagen Group marketing division directs world-wide deliveries to 152 countries via Sales Centres and Importers. These firms are in turn responsible for supplying and supporting the retail outlets in their respective regions. 10,600 dealers and workshops affiliated with the Volkswagenwerk are engaged in selling and servicing Volkswagens according to the uniform standards of the Volkswagenwerk AG. This sales system guarantees world-wide the constant and careful maintenance and repair of every vehicle sold. The result is that not just our cars are top quality. But our service as well.

Our Research Projects

Energy conservation has high priority in our research. We are seeking ways to cut down on the energy consumed above all in vehicle operation, but also in production. We are improving body aerodynamics so as to economize on petrol. Engines which run on methanol and ethanol fuels are now in their second large-scale fleet test. We have already developed diesel engines which consume roughly 30 % less fuel than petrol engines. We are progressing with our developmental work with electric vehicles. In the future, electronic systems for measurement, control, and information processing will result in even more safety, comfort, and economy in our vehicles. The calculation and design of vehicle components with the aid of computers is saving material and weight and leading to increased safety. And last but not least, we are hard at work reducing the exhaust and noise pollution emitted by our cars.



Our 1978 Financial Statements

Excerpt from the Financial Statements of the Volkswagen Group for the year 1978 (figures in million DM)

Balance Sheet December 31	1978	1977
Assets		
Property, plant, equipment and intangible assets	5,745	5,425
Investments	281	304
Adjustment items arising from initial consolidation	205	226
Inventories and advance payments to suppliers	3,477	3,180
Trade accounts receivable	800	567
Liquid funds, own stock	5,547	4,401
Miscellaneous other current assets	2,106	1,463
	18,161	15,566
Liabilities		
Capital stock of the Volkswagenwerk AG	1,200	900
Consolidated reserves, minority interest, reserves for special purposes	4,475	3,455
Old-age pensions	2,341	2,048
Other undetermined liabilities	3,109	2,111
Long-term liabilities	1,981	2,537
Other liabilities and allowance for doubtful trade acceptances and accounts	4,866	4,342
Net earnings after reserve transfers	189	173
	18,161	15,566

Statement of Earnings for the period Jan. 1 — Dec. 31	1978	1977
Sales	26,724	24,152
Increase in inventories, material, wages and overheads capitalized as additions to plant and equipment	561	351
Gross performance	27,285	24,503
Cost of materials	14,089	12,746
Labour cost	7,656	6,810
Depreciation	1,456	1,600
Taxes	1,692	1,503
Sundry expenses less sundry income	1,808	1,425
Net earnings	574	419
Volkswagenwerk AG's net earnings brought forward	2	4
Change principally in consolidated reserves	387	250
Net earnings after reserve transfers	189	173

The complete Group Financial Statements and the Financial Statements of the Volkswagenwerk AG carry the unqualified confirmation of the Statement Auditor and will be published in the Bundesanzeiger (Federal Gazette) early in July.

Declaration of Dividends
— Securities Code No. 766 400 and 766 401 —

At our organization's statutory Annual Meeting of Stockholders on 4th July 1979, it was decided that per DM 50.— stock value, a dividend of DM 9.— on old shares and of DM 4.50 on new shares, in accordance with the 1978 capital increase, shall be paid for the business year 1978. Outpayment of the dividends less 25 % capital gains tax can take place immediately upon submission of the dividend coupon no. 18 to the appointed payment offices.

Payment offices in West Germany are located in Berlin, Bochum, Brunswick, Bremen, Cologne, Düsseldorf, Essen, Frankfurt (Main), Hamburg, Hanover, Munich, Münster (Westf.), Saarbrücken, Stuttgart, Wolfsburg: Dresdner Bank AG; Bank für Handel und Industrie AG; Deutsche Bank AG; Deutsche Bank Berlin AG; Commerzbank AG; Berliner Commerzbank AG; Bank für Gemeinwirtschaft AG; Bayerische Hypotheken- und Wechsel-Bank; Bayerische Landesbank Girozentrale; Bayerische Vereinsbank; Joh. Berenberg, Gossler & Co.; Berliner Bank AG; Berliner Handels- und Frankfurter Bank; Deutsche Genossenschaftsbank; Deutsche Girozentrale — Deutsche Kommunalbank —; Hessische Landesbank — Girozentrale —; Merck, Finck & Co.; Norddeutsche Landesbank Girozentrale; Sal. Oppenheim jr. & Cie.; Trinkaus & Burkhart; Vereins- und Westbank AG; M. M. Warburg-Brinckmann, Wirtz & Co.; Westdeutsche Landesbank Girozentrale; Westfalenbank AG; Commerz-Credit-Bank AG Europartner; Deutsche Bank Saar AG; Norddeutsche Volksbanken AG;

as well as in Austria in Vienna: Österreichische Länderbank Aktiengesellschaft; Creditanstalt-Bankverein; Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft; Bank für Arbeit und Wirtschaft Aktiengesellschaft; Genossenschaftliche Zentralbank Aktiengesellschaft; Schoeller & Co.;

and in Switzerland in Zürich, Basel, Geneva: Schweizerische Bankgesellschaft; Schweizerische Kreditanstalt; Schweizerischer Bankverein.

Wolfsburg, July 1979

Volkswagenwerk Aktiengesellschaft
The Board of Management

Clydesdale launches on-line banking

THE FIRST on-line banking system in the UK... The £4.8m system, designed by the bank and supplied mainly by British manufacturers...

Auditors to probe trust

THE AUDITING firm, Thomson McLintock, has been asked to report on errors made by Petroleum Royalties Trust...

The inquiries concern the company's role in helping people who want to sell their interest in the oil wells trust.

The investors who bought at the lower prices have now volunteered to make good the difference.

Record price paid for paperweight

A ST. LOUIS encased bouquet paperweight sold for £48,000, plus the 11.5 per cent buyers premium and VAT...

SALEROOM

BY ANTONY THORNCROFT... paid by the same dealer for a St. Louis paperweight. Also at Christie's a set of 'The Months' drawings in chalk and ink by Giovanni Tiepolo...

State borrows 45% more in first quarter

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BORROWING by central government in the first three months of the current financial year was 45.5 per cent higher than a year ago...

Warning of dearer home loans if MLR stays high

BY ANDREW TAYLOR

FURTHER indications that building societies are likely to raise interest rates to record levels at the end of this week came yesterday with a warning from Bristol and West...

Westminster Bank puts up personal loan interest rate

FINANCIAL TIMES REPORTER

NATIONAL Westminster Bank yesterday announced an increase of half a percentage point in the rates of interest for personal loans and home improvement loans.

Companies study leisure demand

BY PAUL TAYLOR

AN INFORMAL consortium of five companies is studying a consultant's report on leisure facilities in the UK—including the extensive facilities provided by local authorities...

recorded from its films through the new joint venture. EMI will hope to gain better contracts in the U.S., which is now producing most of the big stars in the music business.

Energy supplies problem for MPs

By Sue Cameron, Chemicals Correspondent

LEADERS of the Chemical Industries Association are to meet MPs tomorrow to express concern over supplies of energy and oil-based raw materials.

He will also point out that the chemical industry has already achieved a 30 per cent energy saving per ton of product during the past ten years.

ICI polyester resins business sold to BP

By Sue Cameron

BP CHEMICALS is buying Imperial Chemical Industries' unsaturated polyester resins interests for an undisclosed sum.

ICI is selling the business rather than the plant at Wilton, Teesside, where it produces polyester resins. Wilton, which has an annual capacity of 18,000 tonnes a year, is thought to be operating at well below maximum capacity.

Opencast mine deal worth £23m signed

BY JOHN MOORE

A £23M CONTRACT has been signed between the National Coal Board Opencast Executive and Derek Crouch (Contractors) for the development of an opencast mine at Tostington, near Ambly Northumberland.

Computer link to find unsafe cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE COMPUTER at the Vehicle Licensing Centre, Swansea, will be used to locate owners of cars with safety-related defects as part of a new Code of Practice announced by the Department of Transport and the car manufacturers yesterday.

There are four major elements in the voluntary code, which will be put under very close scrutiny to see how they worked out and if they needed altering.

Chrysler Europe name is changed to Talbot

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER EUROPE is changing its name to Talbot. The move, announced yesterday, emphasises the diverse European operation in Europe, the UK, Ireland and Spain.

The change underlines the PSA group's intent to follow the policy of having separate identities for its three car companies. An official said: 'The company could not go on using in the name of an independent American manufacturer.'

Fewer bad debtors and business failures

BY JOHN MOORE

BAD DEBTORS and business failures during the second quarter of this year showed a fall on the figures published in the first quarter.

Consumer credit licences extended

By David Churchill, Consumer Affairs Correspondent

THE GOVERNMENT is to extend from three to 10 years licences granted to companies or individuals providing consumer credit facilities.

The new 10-year licences will apply to existing licence holders and new applicants. Licence holders who were due to renew their licences from next month will now have them automatically extended for another seven years.

Dimbleby buys Wandsworth Borough News

By John Lloyd

THE Wandsworth Borough News has been sold to Mr. David Dimbleby, whose family owns the Richmond and Twickenham Times group of newspapers, for an undisclosed sum.

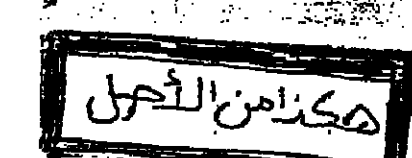
Mr. John Haines, group company secretary, said yesterday that the purchase was made by Mr. Dimbleby himself and that the News would not become part of the Times group.

U.S. music links sought as British pop era fades

THE SERIOUS deteriorating cash position of Electrical and Musical Industries appears to be the immediate motive for its £70m deal proposed with Paramount Pictures in the U.S. However, the new joint venture for the companies' music businesses will have longer-term strategic possibilities.

NEWS ANALYSIS—MAX WILKINSON LOOKS AT PROPOSED EMI-PARAMOUNT DEAL

In the longer term, the two companies clearly have an eye on the future market for recorded video material, either on tape or video discs. In five to ten years' time it may be that pop stars will record many shows on video records. They can then be played back through the family television rather than on the gramophone.



Handwritten note in a box: "بصحة جيدة"

Post Office 10% below letter delivery target

BY JOHN LLOYD

THE POST OFFICE'S performance in letter delivery over the past six months has fallen 10 per cent below target in both the first and second class services.

Internal figures are believed to show that in the months from December 1978 to May 1979, some 83 per cent of first class mail was delivered by the next working day, while 85 per cent of second class mail was delivered by the third working day.

At the same time, the Government has asked for a review of the monopoly on mails, after complaints in and out of Parliament on postal delays.

Resorts trade 'should recover'

BY ARTHUR SANDLES

ENGLAND'S HOLIDAY resorts may still recover some of the ground lost recently as tourists readjust to new petrol supplies, according to Mr. Michael Montague, chairman of the English Tourist Board.

Mr. Montague, in London to mark the publication of the board's annual report, said many resorts had seen custom fall by 6-10 per cent in June compared with the same month last year.



Mr. Michael Montague

The downturn had particularly affected smaller hotels who relied upon the impulse market, but people were now adjusting to the fact that petrol stations were not open on Sunday.

At the latest count the same 15 companies planned 12,400 further rooms, of which 4,000 were in extensions. Most of the plans were for outside London.

Industry urged to invest in better buildings

THE NATIONAL Federation of Building Trades Employers has appealed to private industry to seize the opportunity given by the Government's economic strategy to invest in new buildings.

Mr. John Allan, federation president, says in a letter to Sir John Mathews, director-general of the Confederation of British Industry, "Now is surely the time when investment in better, building will yield the greatest returns."

Heseltine pledges attack on land hoarding

BY COLIN AMERY

MR MICHAEL HESELTINE, Secretary of State for the Environment, said last night that he was planning to attack the abuse of land hoarding in the public and private sectors.

He gave a strong warning to planners not to frustrate the temporary use of vacant land awaiting long-term development in the inner cities.

Education cuts 'will not lead to falling standards'

BY OUR EDUCATION CORRESPONDENT

THE PROSPECT of deterioration in the quality of State education was being discounted in Whitehall yesterday, in spite of claims by teachers' unions that cuts in public expenditure would inevitably cause a severe decline in standards.

A statement by the 21,000-member National Association of Head Teachers that the Government's economies were "the most damaging attack on education standards" since the Second World War, was privately criticised by government officials as neglecting the fact that the £8.5bn education budget conceals a good deal of unproductive expenditure.

Rover launches 'upper echelon' V8S at £10,000

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE ROVER saloon is today moved into the £10,000 car class with the introduction of a top-of-the-range V8S.

The V8S is fitted with the same running gear as the Rover 3500 and so uses a 3.5-litre engine and five-speed manual or optional automatic transmission.

Industry urged to invest in better buildings

THE NATIONAL Federation of Building Trades Employers has appealed to private industry to seize the opportunity given by the Government's economic strategy to invest in new buildings.

British Gas to reduce supplies

By Kevin Done, Energy Correspondent

BRITISH GAS is to take steps to limit sales of gas to new customers in the face of the unprecedented surge in demand for natural gas caused by the shortage and unpredictability of oil supplies.

The Gas Corporation is determined not to exceed its planned sales expansion for the current year.

Winter demand boosted

BY MAURICE SAMUELSON

THE COLD WEATHER in the first quarter of the year helped to raise UK demand for oil by 12m tonnes, 5.6 per cent more than the same period last year.

Tax bid to stem alcoholism rise

SIR GEORGE YOUNG, a Parliamentary Under Secretary at the Department of Health, warned yesterday of a long-term increase in alcoholism in a bid to stem the rise in alcoholism.

He told the annual meeting of the National Council on Alcoholism that the burden of drink misuse falling on public services such as the health service, courts, and prisons was borne by all taxpayers.

Earls Court to be given a £6½m face-lift

BY MAURICE SAMUELSON

EARLS COURT, London's principal exhibition centre, is to have a £6½m face-lift over the next three years, with the help of a £5m grant from the Greater London Council.

The money will be used to improve the general appearance of the 42-year-old building as well as facilities for exhibitors and the public.

Foyers and entrances from car parks and Earls Court underground station will be redecorated, bars and restaurants refurbished and many public lavatories, redecorated and modernised. The old escalators will be replaced. New facilities may include a bank, travel agency, bookshop and bureau de change.

THE ENERGY CRISIS AND ITS EFFECTS

Value of UK's oil production could be doubled in 1979

BY KEVIN DONE, ENERGY CORRESPONDENT

UK CRUDE oil production was worth about £2.5bn last year, and the 1979 total could be more than double that as production builds up and oil prices increase rapidly.

According to figures released by the Department of Energy yesterday, sales of natural gas from the UK sector of the North Sea were worth a further £2bn (valued at the cost of equivalent imported crude oil).

But this figure could fall if the Government succeeds in cutting UK oil demand by 5 per cent, the target agreed with other major oil-consuming countries to meet the shortfall in world crude oil supplies.

Platform yard to cut 300 jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

REDPATH De Groot Caledonian is to declare about 300 of its 800 workers redundant by the autumn, making it the third UK oil platform yard in recent months to be forced to cut employment.

The yard at Methil, Fife, has a £13m order book, but will shortly announce losses running into millions of pounds for the last financial year, and is still losing money.

World consumption of crude at record level

BY KEVIN DONE, ENERGY CORRESPONDENT

THE WORLD consumed 3,076bn tonnes of crude oil last year, the first time annual oil consumption has topped 3bn tonnes.

According to British Petroleum's annual statistical review of the world oil industry demand last year rose 3.5 per cent over the 1977 figure.

Oil production in the world, excluding Russia, East Europe and China, fell last year by 0.7 per cent to 2,395bn tonnes and fell short of consumption by more than 80m tonnes.

exploration work last year fell to £257m compared with £374m in 1977. The number of exploration wells dropped from 67 in 1977 to 37 last year.

The exploration effort on the UK continental shelf fell sharply last year, and Mr. David Howell, Energy Secretary, yesterday urged the oil industry to increase the pace of offshore drilling.

The new Government's intention was that "vitality important further exploration work should go forward with increased vigour, so as to secure timely and successful development in the years ahead, when production from existing fields begins to decline," Mr. Howell said.

The Chapel. Where a classic sherry comes to light.



Why one sherry develops a different character from another is a subject as shrouded in mystery today as it has ever been. We know how it happens. Certain of the young wines develop a yeast on the surface - called flor - while others don't. This is what differentiates the finos and amontillados from the olorosos. Even the inexperienced eye can appreciate this.

But it takes the eye of a true master-craftsman to tell which of the young wines will develop the subtlety and delicacy of a classic fino and which will mature with the extra nuttiness of a classic amontillado.

With the aid of the pure, flickering light from a candle, this fine distinction is made. As it has been for generations to select the classic finos and amontillados to come.

The classic fino is very pale in colour and very dry to taste with a subtly delicate bouquet. Luncheon Dry is just such a fino. Serve it chilled to appreciate fully its true character.

The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nutty flavour. Such is the character of Club Amontillado.

Luncheon Dry & Club Amontillado. Two classic styles of sherry from Harveys of Bristol.

UK NEWS - LABOUR

Up to 34% rises agreed for Civil Service scientists

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT has reached agreement with the Institution of Professional Civil Servants on pay increases of up to 34 per cent for 20,000 scientists.

The union will try to maintain the industrial action by some of the scientists to support a still-outstanding claim for 50,000 technicians and related staff, though the traditionally moderate attitude of IPCS members may make its attempt difficult.

The action, which has disrupted dockyard, ordnance factory and other defence, Parliamentary and Government work, has been principally aimed at shifting the Government's firm stand against the technicians' 36-47 per cent claim.

Mr. Bill McCall, IPCS general secretary, who concluded the scientists' deal in informal talks with the Civil Service Department, said yesterday that union members would be asked to maintain their support for the action while a meeting was sought on technicians' pay with Lord Soames, the Lord President of the Council, who has responsibility for the Civil Service.

Mr. Paul Channon, Civil Service Minister, said he hoped the scientists would now return very

speedily to normal working and that the union would now call off all its industrial action and take the technicians' claim to arbitration.

The agreement on maximum rates takes an assistant scientific officer from £3,303 to £4,030, up 22 per cent; scientific officer from £4,415 to £5,486, or 24.25 per cent; higher scientific officer from £5,448 to £6,737, or 23.66 per cent; senior scientific officer from £6,898 to £8,705, or 26.19 per cent; and principal scientific officer from £8,461 to £11,243, or 34.06 per cent.

The rates were marginally improved in talks which have taken place since last week with the Department, but the final area of agreement was on a raft of words to isolate this year's deal from any future scientists' settlement and from the technicians' claim.

About 5,000 Portsmouth dockyard workers were sent home yesterday because of a half-day strike by about 1,200 supervisors, members of the IPCS, in support of the claims.

National Health Service administrative and clerical staff unions last night reached a staged pay settlement of 19-30 per cent bringing 117,000 staff in line with Civil Service administrative grade settlements.

Jenkins predicts inflation near 20% by December

BY OUR LABOUR STAFF

INFLATION WILL reach 18 1/2 per cent to 20 per cent by December and wage claims will exceed that in the autumn, union leader Mr. Clive Jenkins predicted yesterday.

Mr. Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said that autumn wage settlements would be at least level with the 1978-79 average for his members, about 16 per cent.

Mr. Jenkins was introducing his union's quarterly economic review, which strongly criticises the Budget and the government's financial policies.

The economy, he said, was suffering from "slumpflation" and was faced with a "Niagara" of imports.

Cash challenge on Corby closure

BY OUR LABOUR EDITOR

A CLAIM that the British Steel Corporation has greatly exaggerated the financial saving it would make by halting iron and steel making at Corby, Northants, has been made by two university lecturers who are advising Corby's trade unions.

Working from figures given to the unions at the plant, they claim that the annual saving would not be £42.1m, as suggested by the corporation, but

£6.4m—a figure which they say is "insignificant" by British Steel's financial criteria.

Unions at the plant have not seriously challenged the economic case for closure, but are fighting it mainly on social grounds, arguing that the loss of 6,000 jobs would reduce Corby to a ghost town.

But Dr. Robert Bryer, lecturer in accountancy at the University of Warwick and Mr.

Move to spread banks dispute likely today

BY NICK GARNETT, LABOUR STAFF

FIRST STEPS towards extending the pay dispute within the English clearing banks will be made today when the executive of the Banking, Insurance and Finance Union considers a programme of industrial action in all five banks.

Strikes of 24 and 32 hours by computer staff members of the union and the Association of Scientific, Technical and Managerial Staffs in the Midland Bank shut down the bank's five main computer centres yesterday.

The banking union's executive seems certain today to authorise a repeat of this action, which has disrupted cash transmissions and statements, next week.

It will also consider bringing

out its members at Midland's two Heathrow banking offices, where a ballot produced a clear majority in favour of industrial action.

The executive is also likely to make first preparations for widening the dispute. The union has been balloting 8,000 members in High Street branches of all the banks in a number of areas, to see if action should be extended.

The result is not expected until July 23, but there are strong signs that a majority will favour action.

Mr. Leif Mills, the union's general secretary, said yesterday that the executive would consider selective one-day strikes, overtime bans and a ban on head office returns,

among other forms of action, at these branches.

The executive will also consider whether to ballot other areas on industrial action. "We are prepared for a lengthy dispute if necessary. It is up to the banks to come up with a realistic offer," said Mr. Mills.

The banks have made a common offer of 12 per cent new money, and consolidation of productivity payments, improved London allowances and two days extra holiday, together worth an estimated 3 to 5 per cent.

Action at the Midland followed collapse of conciliation talks last week, when the bank improved its new money offer to 12 1/2 per cent. The unions are seeking 15 per cent.

Prior acts over redundancy and unfair dismissal rules

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT went ahead with promised changes in the rules covering unfair dismissal and redundancy notices yesterday, partly to help small businesses.

Orders were tabled in Parliament by Mr. James Prior, Employment Secretary. He wrote at the same time to Mr. Len Murray, TUC general secretary, replying to TUC objections.

Subject to parliamentary approval, the period for which

a person must be employed before he can bring a complaint of unfair dismissal is extended from six months to a year.

The period of notice that an employer must give his workers that they are redundant has been shortened from 90 to 30 days where between 10 and 99 employees are involved. For redundancies of 100 or more people, the notice remains at 90 days.

The Government has decided against raising to two years the qualifying period for unfair dismissal for employees aged under 18.

Mr. Prior told Mr. Murray that the change in the unfair dismissal rules was because "there is no doubt in my mind that employers have found the legislation a burden and a disincentive to recruitment."

Shortening the period of notice of redundancy would have a "negligible" impact, although it would help small businesses.

Thames TV back on air

THAMES TELEVISION programmes went on the air late yesterday afternoon, following an agreement between the company and the Association of Cinematograph, Television and Allied Technicians and the reinstatement of three film editors.

The return-to-work agreement was reached after a union meeting and Thames Television said talks would now be held with the ACATU branch over the question of film script editing, particularly on current affairs programmes.

Chrysler men walk-out

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE 3,500 workers at Chrysler UK's Stoke engine plant, Coventry, walked out last night in what threatens to be a protracted strike. A strike by 2,000 men at Chrysler's nearby Ryton factory is now in its second week.

Workers are protesting at the company's 5 1/2 per cent pay offer. Chrysler insists that with a forecast 8 1/2% of £30m for the year, it cannot afford to increase pay rates further.

Stoke supplies components to

the truck plant at Dunstable and to Linwood, Scotland, where the Avenger and Sunbeam are assembled.

The effects of the strike will be delayed until those plants return from their summer holidays on August 6.

Chrysler has stocks to meet the high sales expected in August, but is concerned at the effect of any lengthy shutdown. The company has warned workers that the strike could mark the start of a rundown in operations.

Power workers 'reject offer'

By Philip Bassett, Labour Staff

POWER WORKERS are thought to have rejected their latest pay offer of 16 per cent, though by a much closer margin than their three-to-one rejection two months' ago, of an offer worth about 14 per cent.

The result of a secret ballot of the 86,000 manual workers in the electricity supply industry is not due for about a fortnight, but leaders of the unofficial shop stewards' committee estimate that just over 90 per cent of the workforce is against acceptance.

Unofficial estimates of the result of the last two secret ballots in the industry have proved correct, and last year when the committee forecast a 50:50 acceptance of a package worth more than 20 per cent for some workers it was accepted by a majority of only 500.

Official union negotiators have already made it clear that notwithstanding the result of the latest ballot they will press for increases in line with the 16.18 per cent offer rejected by 27,000 engineers in the industry.

The latest offer gives 16 per cent in two stages, with a first stage of 12 per cent from March and a further 4 per cent in October.

The determination of the manual workers' negotiators to seek increases in line with the engineers' offer is reiterated in a letter to members from the official trade union side.

The letter says union officials have told the Electricity Council that they are concerned about the size of the difference in the offer to the Electrical Power Engineers Association.

Ship blacked by port workers

A 3,600-ton German freighter was stranded in Hull port yesterday by a dispute over pay for its crew. The Marabu Furr was blacked by lock-gate men and tug crews on the orders of the International Transport Workers' Federation.

The federation says the ship's 22 officers and crew are not being paid the proper international rates and are owed between £50,000 and £70,000

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table with columns: Banks, Eligible Liabilities, Reserve Assets, and Special Deposits. Rows include UK banks, London clearing banks, Scottish clearing banks, Northern Ireland banks, Accepting houses, Overseas banks, American banks, Japanese banks, Other overseas banks, Consortium banks, and Total eligible liabilities.

Table with columns: Reserve Assets, Constitution of total reserve assets, and Ration %.

Table with columns: Ration % and N.B.—Government stock holdings with more than one year but less than 18 months to final maturity.

Table with columns: Ration % and 2—Finance houses.

Table with columns: Special deposits at June 20 were £724m (up £17m) for banks and £2m (unchanged) for finance houses.

London Clearing Banks' balances

as at June 20, 1979

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coitus, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

Table 1: Aggregate Balances. Columns: Total outstanding (£m), Change on month (£m). Rows: LIABILITIES (Sterling deposits, Foreign currency deposits, Total deposits, Other liabilities), ASSETS (Cash and balances with Bank of England, Market loans, Discount market, Certificates of deposit, Local authorities, Other).

Table 2: Individual Groups of Banks' Balances. Columns: Total, Barclays, Lloyds, Midland, National Westminster, Williams & Glyn's. Rows: LIABILITIES, ASSETS.

Table 3: Credit Control Information (Parent banks only). Columns: Eligible liabilities, Reserve assets, Reserve ratio (%).

Large advertisement for 'There's still room at the top' featuring a large graphic of a person's head and shoulders. Text includes 'NEW LONDON BRIDGE HOUSE OFFICES TO LET 10,000-46,500 Sq. ft. Jones Lang Wootton'.

Hospital union man arrested

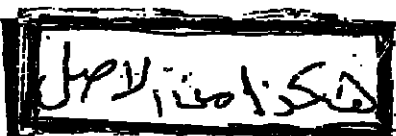
A HOSPITAL workers' leader was arrested yesterday as 200 members of the National Union of Public Employees scuffled with police and stopped traffic in a London demonstration over health service cuts.

Mr. Conway Xavier, leader of the ancillary workers at Great Ormond Street Hospital for children, was arrested as his supporters halted their march on a pedestrian crossing.

Chartered Surveyors 33 King Street London EC2V 8EE 01-606 4060

Advertisement for 'HIRE AIR CONDITIONING' with contact details for Andrews & Co.

Handwritten Arabic text: 'هكذا من الأهل'



Proposals plan on Rhodesia independence

BY IVO OWEN

BRITAIN'S determination to secure Rhodesia's return to regularity by bringing on the fundamental changes which led to the appointment of Bishop Muzorewa as the country's first black Prime Minister, was affirmed by Lord Carrington, the Foreign Secretary, yesterday.

While repeatedly emphasising the importance which the Government attaches to the fullest possible consultation, including that which will take place at the Commonwealth Prime Ministers' Conference in Zambia next month, he insisted that the final definitive proposals for Rhodesia's status must be a British responsibility.

In the course of a major debate in the House of Lords, leading Labour and Liberal peers warned the Government against embarking on a unilateral course of action including the lifting of sanctions against Rhodesia, which could result in Britain having to endure the type of world diplomatic condemnation last experienced at the time of Suez.

These warnings were reinforced from the cross benches by Lord Carver, former Chief of the Defence Staff, who—in an implied criticism of comments made by the PM in Australia

about the difficulties which would face the Government in asking Parliament to agree to renew sanctions for a further year in November—urged Lord Carrington not to let the reins fall out of his hands.

Opening the debate, the Foreign Secretary made it clear that the Government wants to see the bitter and prolonged controversy finally resolved this year. The dispute began with the unilateral declaration of independence by Mr. Ian Smith in 1965.

He acknowledged criticism of the constitution on which Rhodesia went to the polls in May for its first one-man one-vote election—particularly the blocking power given to the white minority over a wide range of legislation—and hinted that this would be among the matters discussed with Bishop Muzorewa when he visits London later this week.

Lord Carrington stressed that Lord Harlech, the special envoy who recently returned from Africa after consultations with the so-called front-line states and representatives of the Patriotic Front, had found an encouraging recognition that major changes had taken place inside Rhodesia over recent months.

He complained that there had been a disposition in some sections of the international community to seek to ignore these changes and to argue that Bishop Muzorewa and his Government should be treated in the same way as the previous government of Mr. Smith.

Amid cheers, the Foreign Secretary declared: "I do not share that view. It was not Bishop Muzorewa who made the unilateral declaration of independence. He has campaigned for many years for majority rule in Rhodesia."

"He needs our help and encouragement if he is to demonstrate that a fundamental change has taken place in Rhodesia to independence. The Foreign Secretary reported that Lord Harlech had faced demands for a British initiative from the African Governments he had consulted.

"The Government had not yet come to final conclusions because the process of consultation was still continuing."

"But it is the Government's intention, when our consultations have been completed, to make firm proposals of our own, stemming from the British Government as the constitutionally responsible authority, to bring Rhodesia to legal independence on a basis which we believe should be acceptable to the international community."

Underlining the Government's wish to make as rapid progress as possible, Lord Carrington told peers: "No purpose will be served by undue delay. There is no reason to believe that there will be a better chance of securing a solution next year or the year after that."

For the Opposition, Lord Goring-Roberts, former Foreign Office Minister of State, welcomed the general tone of Lord Carrington's speech, but questioned whether the consultations which had already taken place would justify the Government in not seeking to renew sanctions for a further year, as seemed to have been envisaged by the Prime Minister in her comments in Australia.

He maintained that a firm British position on sanctions was vital to the conduct of the further negotiations in Rhodesia which were to take place in coming weeks.

If it were felt that sanctions would not be renewed, he said, Mr. Smith and his supporters would be encouraged to keep hold of the position they now

occupied and to resist further concessions to the African majority.

An associated danger was that the African states would be forced into the wrong kind of choice, with the possibility that they would increasingly turn to the Soviet Union because they felt that it was not possible to obtain an acceptable solution to the Rhodesia problem by relying on the West.

As a member of the UN, Britain was legally and morally bound to maintain sanctions. It would be wrong for the Government to run the risk of allowing Britain to be isolated in the General Assembly and pilloried in the Security Council.

"We cannot afford another Suez," he declared.

"The present Rhodesian constitution will not do. It has not been voted upon and the recent election was not a test of opinion as to the constitution but a popularity contest."

Lord Goring-Roberts advocated fresh elections, conducted under international supervision.

For the Liberals, Lord Gladwyn also drew a parallel with Britain's position at the time of Suez, and urged the Government to proceed with caution over sanctions policy.

Specialist police forces given pay rise

THE GOVERNMENT announced pay rises for the British Transport Police and other specialist police forces yesterday.

The rises are to equate with rises for non-specialist police forces accepted by the Government this year. It gives them a pay increase of about 40 per cent.

The announcement was made today by Mr. Paul Channon, Civil Service Minister.

The agreement covers forces who police defence establishments, the docks, royal parks, and airports in Northern Ireland as well as the transport police. The rises will bring their pay rates to between 80 per cent and 100 per cent of those of non-specialist forces.

In the rise for non-specialist police, the pay of constables in forces outside London ranges from £3,500 to £5,700.

Charities call for aid to boat people

By David Dodwell

BRITAIN'S LEADING charitable organisations launched an emergency aid appeal for Vietnamese refugees yesterday, demanding an immediate Government commitment to accept 15,000 people.

Advertisements that appear widely in the national press this week ask for cash contributions and invite sympathisers to lobby the Prime Minister, providing a cut-out coupon for the purpose.

Criticism

Several British charities have recently been criticised for using political means to promote their charitable ends, and the coupon, which presses the Government to "give sanctuary generously to refugees from Indochina," is likely to be controversial.

The appeal might seriously embarrass the Government, since it has been timed to draw maximum attention to the United Nations Conference on Vietnamese Refugees, to be held in Geneva on July 20-21. The conference was called for by Mrs. Margaret Thatcher.

A spokesman for the UN High Commission for Refugees said yesterday that South-East Asia is swamped with 350,000 refugees, and another 1.2m are likely to be pushed out into the South China Sea in the months ahead.

Labour MPs insist that sanctions must be continued



IN THE Commons Sir Ian Gilmour, Lord Privy Seal, also made a statement on Rhodesia.

Mr. Peter Shore, shadow Foreign Secretary, told him that if it was the Government's view that very substantial changes were needed in the present constitution there should be no question of lifting sanctions or of recognition.

Sir Ian apologised for the "thinness" of the statement he had made, but told Mr. Shore: "The reason for it was that you asked for it—not that I had anything particularly interesting to say."

He reminded Mr. Shore that Bishop Muzorewa would be seeing Ministers soon. No proposals had yet been made.

Mr. Christopher Brocklebank-Fowler (C. Norfolk-NW) said: "The only way forward may be for an interim period of internal self-government, as a British colony... prior to free elections under universal suffrage leading to complete independence."

Sir Ian replied: "I am aware that that view is shared by a

number of other people. We rule out no method at this stage of bringing Rhodesia back to legal independence."

Returning to sanctions, David Bedfordshire insisted that the first priority must be the wishes of the Rhodesian people of all races as expressed through the ballot box. Sir Ian told him:

"Of course we stand for the victory of the ballot box over the bullet. But it will not be in the interests of this country or Rhodesia for us to act entirely on our own."

Annals (Lab. Norwich N) said that the Prime Minister had weakened the Government's negotiating position by saying that the Commons would not again approve sanctions in Rhodesia.

He said the Opposition would give full support to imposing sanctions again.

Sir Ian said that he did not think Britain's negotiating position had been weakened.

Ultimately, no settlement in Rhodesia would be successful unless it was accepted by the majority of Rhodesians as a whole.

Warley E) insisted that Britain

He added: "If the Government needs some months to try to bring round the rest of the world to support Government policy there would be a large number of members who would support that."

And Mr. Terence Higgins (C. Worthing) insisted that the present Rhodesian constitution "could not be the basis of a permanent settlement since it contains a number of highly discriminatory elements."

These comments prompted an intervention from Opposition leader, James Callaghan, who declared they had "shown the Prime Minister that if only she stands up she will get a lot more support from her side of the House than perhaps she thought."

He went on to call for an early debate on Rhodesia and Sir Ian told him this had been agreed.

PM defends union plans

BY JOHN HUNT

THE PRIME Minister gave a firm indication yesterday that she is determined to press ahead with the Government's proposals for amending labour relations law, despite the initially hostile reaction of some trade union leaders.

There were cheers from Conservative MPs in the Commons when she declared: "I believe we have an absolute mandate for these proposals. They are what the people want."

"The events of last winter showed that they are needed and I hope we will have everyone with us who believes that great power should be matched by great responsibility."

Mrs. Thatcher was replying to a barrage of questions from Labour MPs. They strongly opposed the proposals put forward in the Government discussion document for amending the law on secondary picketing and the closed shop and for giving financial assistance for unions to hold secret ballots.

They made it clear that the Government could expect stiff opposition both inside and outside the Commons.

It was noticeable, however, that Mr. James Callaghan, Leader of the Opposition, refrained from condemning the Government's package.

He contented himself with some scathing remarks about the Government's plans for cutting public expenditure.

Mr. Eric Heffer (Lab. Liverpool Walton), a leading Left-winger, said that despite the

soft sell approach of the Government, the present proposals were an echo of the Industrial Relations Act.

"Isn't it clear that if you persist in this type of policy you will run into a great deal of difficulty both in this House and the country?" he asked.

But Mrs. Thatcher did not agree that there was any similarity to the Industrial Relations Act of 1971. That had been a much larger measure than the Government was now introducing.

Strong support for the Prime Minister came from the Tory benches throughout the exchanges. Mr. Michael Antram (C. Edinburgh) suggested she should widen the basis of negotiations to include ordinary trade union members who, by and large, supported the proposals.

The Prime Minister agreed that there was very widespread support for them, both inside and outside the trade union movement.

Mr. Colin Shephard (C. Hereford) reminded her that despite the comments of some union leaders, the British people and the membership of the trade unions had clearly expressed themselves in favour of the reforms.

He urged her not to be diverted from her path by the "Pavlovian" and wholly predictable response of Messrs. Len Murray and Moss Evans.

Mrs. Thatcher agreed wholeheartedly. The consultation document arose from underak-

ings given in the manifesto and these had been discussed with the British people while the events of last winter were still fresh in their minds.

It was largely because of this that the Conservatives had gained more support than ever before from members of the trade unions and had won such a large number of seats in the Commons.

Mr. John Cartwright (Lab. Woolwich E) wondered how she expected trade unions to go in for responsible pay bargaining when she had now destroyed the only effective price watchdog.

Bluntly, Mrs. Thatcher told him: "The fact of the matter is that unless increased pay is matched by increased output the result will be either inflation or unemployment."

Replying to questions about the Conservative proposals for the closed shop, she declared: "We believe firmly that people should not be deprived of their job without compensation just because they refuse to belong to a trade union."

"We hope that is a matter we shall put right in legislation."

Mr. John Selwyn Gummer (C. Eye) called on her to ensure that individual trade unionists were protected from the over-riding power of senior trade unionists.

The Prime Minister agreed and told him: "These proposals will also protect anyone who wishes to go about their lawful business unhindered."

Double tax code approved

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CLAUSE concerning the controversial double tax convention between Britain and the United States was approved in the Commons early yesterday despite sharp Conservative protests.

Some MPs were particularly worried because the clause—which is contained in the Finance Bill—enables the provisions of the convention to be backdated if it is ratified by the Commons later this year.

Mr. Graham Page (C. Crosby) speaking during the committee stage of the Bill, protested that the clause was "unconstitutional." He was astonished that it should be in the Bill at all.

The backdating would be to December, 1975, the date when the British Government signed the convention. Since then, however, the question of union taxation has become a matter of bitter controversy.

Under this system, certain

American states, notably California, can assess British subsidiaries for tax purposes, instead of on their local earnings. This means that the subsidiaries are liable for a much larger tax burden.

On Monday, the Senate ratified the convention but a provision preventing individual states from levying unitary taxation had been cut out.

Mr. Page said yesterday that, by approving the clause, the House was giving its blessing to the convention instead of encouraging the Government to fight it through diplomatic channels.

"This clause is so unconstitutional that it ought to be taken out of the Bill and thought of all over again," said Mr. Page.

Mr. Peter Rees, Minister of State at the Treasury, said it was purely an enabling pro-

vision although there was also a measure of retrospective.

He pointed out that the Commons would have full opportunity to consider ratification of the convention later in the year.

He confirmed that he is going to Washington in September to discuss the matter with Mr. Lubick, Assistant Secretary at the U.S. Treasury.

Mr. Rees said the Government well understood the concern of British and foreign companies over the matter and Mr. Lubick had been left in no doubt about this.

Mr. Rees also stressed, however, that it was a very sensitive issue and declared: "It would be tactless in the extreme for us to intervene in what is primarily a matter of states' rights."

For the Opposition, Mr. Denzil Davies, a Labour Treasury spokesman, said he would have preferred complete ratification before the summer recess.

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The 1978 Annual Report underscores the continual increase in the Company's traffic volume - operating income went up by nearly the third - and this trend is orienting ITALCABLE to a threefold expansion of its production plant.

Intensification of activities is largely explained not only by ITALCABLE's collaboration with developing countries in setting up telecommunications systems but, importantly, by its growing commitment to cater at maximum technical level to the needs of highly industrialized countries throughout the world by creating increasingly diversified technologically sophisticated services.

In this way ITALCABLE is progressively implementing its operational policy based on world-wide expansion coupled with a constant updating of expertise and application of the most advanced relative technologies.

OVERSEAS TELECOMMUNICATIONS SERVICES

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMPONENTS

High resistance to corrosive liquids

AN INTERESTING development likely to attract the attention of manufacturers in many industries, especially those handling corrosive fluids, is a new valve design which is a much wider scale than hitherto a range of ball, butterfly and check valves made from reinforced epoxy resin.

Although of UK design, the valves are at present being manufactured in Japan, but it is hoped that following successful trials in the UK (British Steel is one of several organisations experimenting), production in Britain, possibly in a form which might be started before long.

One of the main claims made for the valves is that they offer an alternative to expensive metal valves where high resistance to chemicals and corrosion is an essential consideration. In fact, FVC, the manufacturer, reckons that the valves are suitable for 95 per cent of all known chemicals and

they cost less than stainless steel models.

The valves are produced on standard moulding machines and because of the high quality tools used (these are also made in Japan) they do not require a finishing operation. They are very light (the smaller ones can be sent through the normal parcel post) and are made in sizes up to 200 mm diameter in manual, power-actuated and fire retardant versions. They will withstand temperatures up to 130 degrees C and working pressures of 200 psi.

The valves are interchangeable with all international flange standards and because of the nature of the material from which they are made do not need thermal insulation. They are particularly suitable for cryogenic applications.

A 12-page manual dealing with the valves can be obtained from FVC at 14 Hall Park, Berkhamsted, Herts. (Berkhamsted 74167).

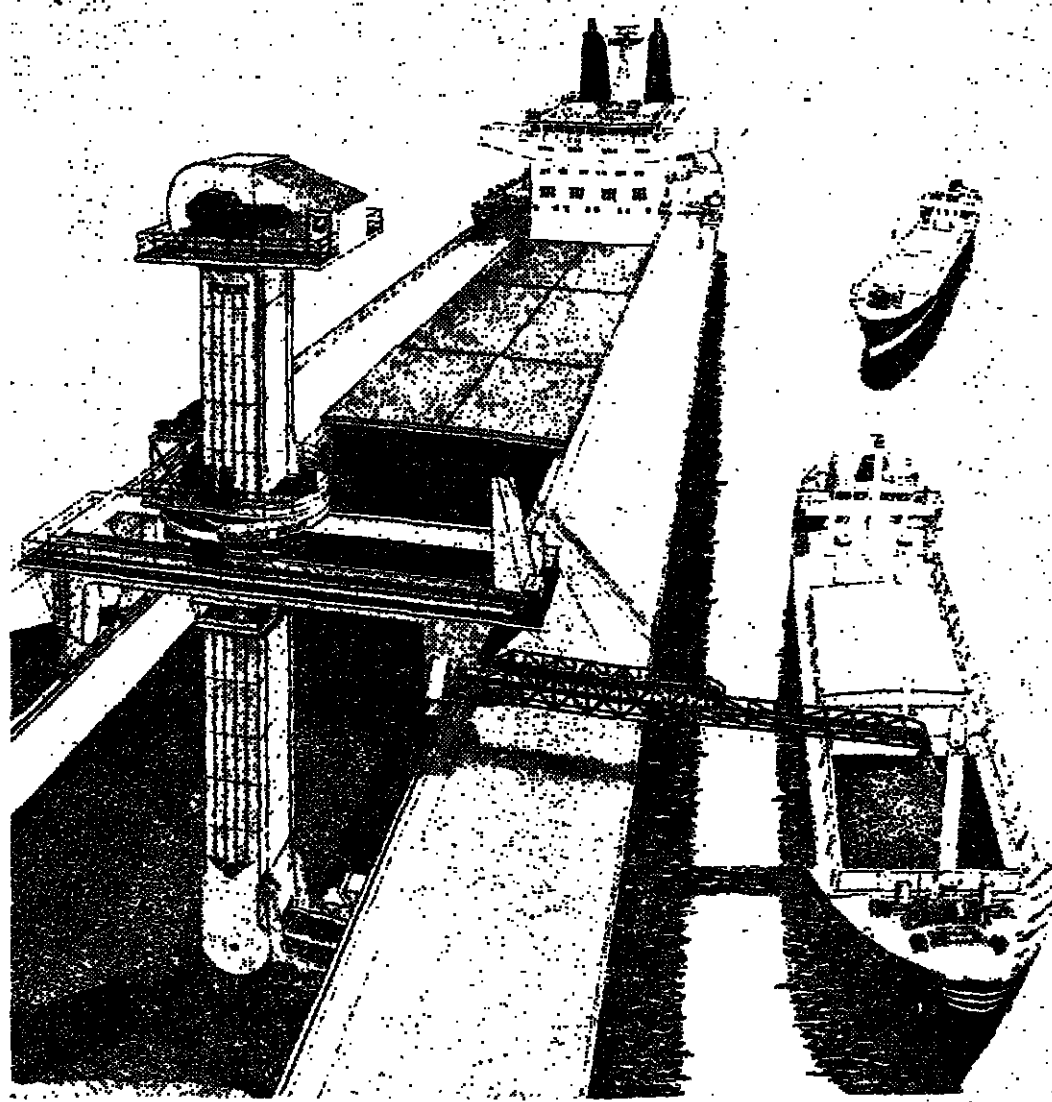
Offers a constant force

A NEW type of steel spring, designed to ensure constant force in sensitive systems, is reported to have been invented by an Israeli scientist. Dr. Boaz Papper (Papper Engineering, 6 Razzaz Street, Kiryat Motzkin, Haifa, Israel). The company is selling the know-how in Israel and abroad.

Named Pi-Flex, because its configuration resembles the Greek letter Pi, it has been protected by international patents. Two have already been sold for use in supporting high pressure pipes in a nuclear

reactor. One of the springs weighed 200 kilos. Unlike conventional linear springs which are subject to deflection, the Pi-Flex assures constant force with only a 2.5 per cent variation, according to the inventor. This is crucial in the case of high pressure pipes which are subject to cracks at high temperatures if they do not have constant force support.

However, the spring can also be programmed for variable force where needed and he believes that it will be able to replace much more expensive and involved pneumatic pistons now used in various machines.



UNLOADING LARGE SHIPS OFF-SHORE

ILLUSTRATION OF a new ship unloading concept based on a bucket-wheel and feeder conveyor system to handle bulk cargo built by Babcock-Moxey (member company of Babcock Contractors), Wingloss House, Bristol Road, Gloucester (0452 36531).

Active components of the unloader (which would be deck mounted and not interfere with a ship's original design) are

part of a ship-mounted rail and gantry arrangement to enable the bucket-wheel to operate in any position throughout the length of cargo space.

The system would weigh 500 tonnes and when at sea could be stowed to minimise obstruction of the deck or ship operation.

It could be used to discharge high density materials, such as iron ore, at 3,000 tonnes an

hour; less abrasive and lighter materials—coal, grain, bauxite—at a rated capacity of 3,000 cu metres an hour.

Anticipating large scale ship unloading operations in the 1980s, the designer says that ships of, say, 100,000 tons, unable to reach adequate harbour facilities, could off-load cargo on to shore-side facility, barge, coaster, or smaller ship moored alongside. New unloader would cost \$7m.

CIVIL ENGINEERING

Flood prevention in south-west Holland

IN THE Oosterschelde estuary, an hour's drive south of Rotterdam, work has started on one of the most ambitious engineering projects ever conceived in Europe. This is the construction across the mouth of the estuary of a series of sluice gates, which can be closed whenever the sea is dangerously stormy.

The barrier is intended to protect low-lying south-west Holland from the floods it suffers at intervals. The last major invasion of the sea was in 1953, when the dyke system was breached in 57 places. 1,550 lives were lost and untold millions of pounds worth of damage done to the industry and agriculture of the region.

This catastrophe led in 1958 to the formulation of the Delta plan, designed to prevent any recurrence by damming all the major water inlets in the area. Pressure from environmental groups in the early seventies forced a change of mind as far as the Oosterschelde was concerned, and the original plan for a permanent dam was

dropped in favour of the vastly more complicated movable storm surge barrier.

Two man-made islands have been constructed in the mouth of the estuary, cutting its width from six miles to two. The new barrier will be in three parts, one joining the two islands and the other two connecting each island to the mainland.

The barrier consists of steel sluice gates supported between concrete piers. The piers will be constructed on the larger of the islands, and placed in position to an accuracy of three centimetres by a purpose-built vessel. Each pier will weigh 20,000 tons dry weight, take a year and a half to build and three whole days to place in position.

There is a critical period lasting some 12 hours during this process when it is essential that the weather is calm. Extremely accurate weather and sea condition forecasting is therefore required, and for this purpose a specially designed information system called Histos is being

Wang is now recognised as the second largest supplier of small business computers in North America and the largest worldwide supplier of screen based word processing systems. It is doing very well in the U.K. too!

Telephone: Northwood 28811



supplied by the British computer company SPL International.

Data will be collected by sensors placed in bays and on poles driven into the sea bed. They will measure critical factors such as wave height, wind speed and direction, water temperature and the speed of the current in the estuary. The data will be processed for use by meteorologists at a computer centre of the Rijkswaterstaat (Dutch Public Works Authority) at Zierikzee.

The Histos system will also be used to provide environmental data, such as the effect the new barrier has on the tides in the estuary, and to monitor the condition of the barrier itself. This is important to ensure that the effects of the sea on the barrier are the same as predicted by experiments using scale models.

IN THE OFFICE

Rough draft to finished copy

OPTICAL character reading is available with Lexitron and Lexitron word processing systems marketed in the UK by Data Logic.

Typewriter equipment enables typists to prepare a rough draft copy on normal office typewriters and then edit and produce it in final form on a Lexitron word processor. This unit makes every standard typewriter with an OCR-B type style an input device for a word processor.

It optically scans and identifies each character on a typed page and then transmits text to the Lexitron at two lines per second. It can also identify certain typewritten and handwritten editing instructions, minimising the time and effort needed to create final copy on the screen and to produce it on the printer.

There are a number of benefits from introducing OCR into word processing. For example, typists who are familiar with an author's style can work at rough draft speeds and in rough draft formats, freeing the word processing operator to edit, re-format and produce converted drafts in final form.

Typewriter also enables documents stored on magnetic media from other word processing systems to be transferred to the Lexitron. Hard copy of the text is printed out and the Typewriter then converts it—and edits if required—for storage on Lexitron floppy disc or cassette.

This capability enables Lexitron systems to work with machines using non-compatible storage media. Typewriter is a floor-standing unit which plugs into any convenient power point and connects to the Lexitron word processor via cable. The main elements are an input hopper, an output hopper and a display panel for operational indicators and controls.

Data Logic, 29 Marylebone Road, London NW1 0J-486 7288.

Improves typists' efficiency

LEEDS PERMANENT, the country's fourth largest building society, has completed a comprehensive review of typing activity and performance which has resulted in an order to Logica VTS for a Unicom VTS shared logic video typing system with ten stations. The Leeds is believed to be the first major organisation in the finance sector to have undertaken such a study.

The Society has maintained, over the years, a constant review of typing effort and performance, and the typists employed are concentrated into high output typing centres. Detailed studies of Leeds Permanent's long term needs demonstrated that a shared logic typing system would maintain and improve standards of typing efficiency. Logica's Unicom VTS system was chosen because it was easy to use and offered good control.

Typists find Unicom easier and less tiring than their electric typewriters and capable of producing high quality output.

Leeds Permanent monitored performance before confirming the order. Initially the Society used the system for straightforward audio typing, principally consisting of short one-off letters and memos with a minimal amount of correction, and worthwhile gains were achieved within four weeks of the equipment being installed. The facility to construct letters from standard paragraphs was added to the system and further substantial gains in output were then achieved.

The Society predicts that the Unicom system will pay for itself in approximately three years on the typing services alone.

Logica, 64, Newman Street, London W1A 4SE (01-637 5171).

INSTRUMENTS

Measures the power

THE RANGE of analogue and digital multimeters made by Avo, Archcliffe Road, Dover, Kent (0304 202620) now includes digital clampmeters which may be used to measure ac current wherever a single conductor is available and without the need to break the circuit.

There are three models, each offering ac current measurement up to 999A and ac voltage measurement up to 99V.

Surge values of current or voltage may be detected by setting the meter to the appropriate switch position. In this

mode, the instrument will sense the highest value of the voltage or current being measured and hold that value in the display until the meter is switched off. This feature is particularly useful when measuring motor starting surge, or as a "freeze" facility when making measurements in difficult locations where it may not be possible to read the display.

The battery operated instruments are pocket-sized and, says the company, their simple one-hand operation allows them to be used in most locations.

Makes the data clear

DESIGNED and already successfully marketed in Australia is a signal processing instrument which can accept up to 64 channels of analogue information and present them in vertical colour bar format on any standard colour television monitor.

The instrument is now to be made in the UK by a company currently being set up called Chromatec Video Products, 10 Barley Mow Passage, Chiswick, London W4 4PH (01-894 6477).

Alphanumeric characters are also produced on the screen to identify the bars and to label the vertical axis of the display.

The company says that quantitative assessment of the signal levels is rendered precise by means of electronically generated "craticles" superimposed on the display. Colour is used in other ways to give more information. For example, overload levels can be set so that if any bar exceeds the pre-set value, it turns red above that level.

Likely applications are in frequency spectrum analysis, work process control and medical monitoring. "Further development is under way to give the unit intelligence and memory using a microprocessor.

CONFERENCES

Carbides in machining

CEMENTED carbide materials are among the most important contributors to advancing technology and increasing productivity in engineering.

Recent developments in cutting tool materials has, for example, allowed faster machining speeds and longer tool life in milling and turning applications, and hard metals are finding increasing applications in materials requiring high wear-resistance and in mining and rock drilling.

Leading speakers from industries involved in carbide technology around the world will take part in a three-day international conference called "Recent Advances in Hard-metal Production", which is to be held at the University of Technology, Loughborough, September 17-19, 1979.

The conference will assess the worldwide raw materials availability situation with regard to tungsten, cobalt, tan-

talum the main materials used to produce hard metals. It will also review important achievements by the industry in recent years in "Powder Production", "Powder Pressing and Sintering", and "Post-Sintering Operations"; the latter will cover talks on processes to produce wear resistant coatings on hard-metal cutting tool tips to increase tool life or to allow faster machining, and also hot isostatic pressing (HIP) which is heat treatment process under pressure to eliminate any voids in the hard metal.

There will also be a session covering applications for hard metal products, and an exhibition is planned which will show materials and equipment used in the production of these materials.

More from Loughborough on 0509 83171 or from "Metal Powder Report", 18, Talbot Chambers, Shrewsbury, Shropshire (0743) 64675.

PLASTICS

Blow-moulded fuel tanks

MEMBER company of Krupp Group, Kautex-Maschinenbau GmbH, Bonn-Holzlar, has developed equipment and procedures for two high-density polyethylene fuel tanks of 76 and 29 litres capacity in co-operation with Ford Australia, Ford Cologne and BASF AG, Ludwigshaven.

Production of these tanks, based on Lupolen 4261 A, a material from BASF, on a fully-automatic Kautex KB 250-S/20 gantry-type blow moulding machine is in progress in the Melbourne works of Ford Motor Company of Australia, at Campbellfield.

Production rate is 20 tanks/hr which are completed in a succeeding station by friction-joining an additional part. The

PACKAGING

Does not raise the dust

CONTAINERS SUCH as drums and kegs can be filled with powder without creating dust by using the latest filling machine produced by Transmatic Fyllat. Dust is avoided because the machine lifts the drum before filling starts and the latter is gradually lowered as the powder is dispensed. Weight accuracies are claimed to be better than plus or minus 2 per cent.

The company's factory is at Old Ford East Road, Bedford (0234 69294).

tanks have passed basic safety tests as well as a two-minute flame exposure test and a drop test from a height of 6 metres at minus 40 degrees C.

Owing to their shape, these tanks are extremely difficult to blow-mould.

Krupp, Postfach 10, D4300 Essen 1, West German Federal Republic.



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Air conditioned staff stay cool and fresh. So they stay happy and relaxed, and polite to all your air conditioned customers and clients.

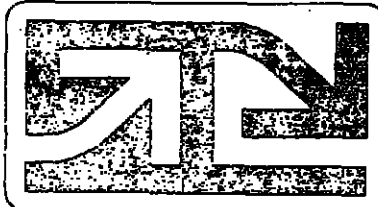
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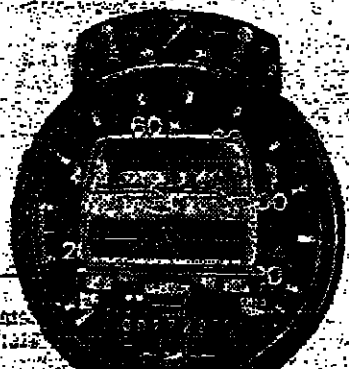
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Germany's 'spy in the cab' still having UK translation problems

BY IAN ARGREAVES

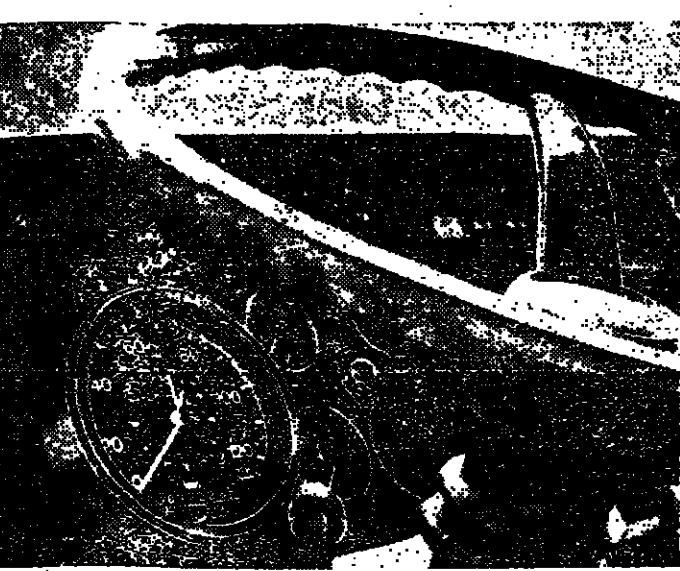


...vention "tachograph" to an EEC transport official... will sign knowingly about the... of British trade... and the political diffi... the past Labour... administration had in being... to make concessions... towards Britain's Common Mar... partners.

rather like a speedometer and involves a clock mechanism rotating a wax disc on which one or more... tachograph... This basic device became the founda... of the Kienzle instrumenta... business, which, along with more recent developments in business machines and computers, has produced sales growth of 62 per cent in the past four years. Sales totalled DM570m (£142m) in 1977-78. Tachographs for lorries and cars still account for 75 per cent of this turnover. The company now entirely dominates the town of Villigen.

of planned maintenance and scheduling and the performance of drivers. This chapter of the Kienzle history is one of several which British lorry drivers have seized on in the past five years in their fight to resist the tachograph. The reason this argument arose was that in 1970 and 1973 the EEC adopted regulations making the tachograph compulsory for all heavy lorries. The Commission's objective was to install a recording device which would allow member states to effectively police the Community's new social regulations, harmonising the length of the driving day in the interests of safety and fair competition.

but with the writing now in the legal wall, it would be surprising if they did not wish their emphasis to be on the highest possible price for their adoption of the tachograph. The employers' representatives remain unenthusiastic but are resigned to living with the instrument some time in the future. The end may, therefore, be in sight for Britain's most notorious storm - a Euro-tax cap. Differences of view about the usefulness of the tachograph once installed will constitute the next chapter of the debate.



The driver's view of the tachograph—as now fitted to 100,000 UK lorries

Of the 500,000 trucks on Britain's roads, probably around one in five already have tachographs because they are now fitted as standard on all European lorries, so there is a big retrofitting market in the next few years and an even more important market in selling equipment to the vehicle manufacturers. Lucas-Kienzle dominates the UK market as Kienzle does the European, but it has tough competition from Smiths, which is also active elsewhere in Europe in a consortium, and from the U.S.-owned Veeder Root company. The British Government, in authorising tachograph fitting and calibration centres (places where the tachographs are legally sealed for use as an EEC-authorised recording device), has divided the licences equally among the three manufacturers.

Company Secretary's Review

IN TODAY'S ISSUE
Complaining to the Ombudsman
Safety representation in practice
Finance Bill Memorandum
Constructive dismissal—recent cases
For the busy professional—essential facts summarised every fortnight in eight pages of invaluable information. Telephone us now on 01-688 9141 for three recent issues, without obligation.

Mr. William Rodgers, Transport Secretary, in the Labour Government, felt simply that the tachograph issue was too tedious and too trivial to risk a major breach with the Transport and General Workers Union. So his officials were instructed to negotiate the maximum possible concessions and delays over the new driving hours law and to simply go on saying "no" to the tachograph. Eventually, a reluctant Commission had no alternative but to take Britain before the European Court for breach of the regulations. In April, the court found Britain guilty and Mr. Rodgers announced that steps would be taken to implement the law. One of the first acts of Mr. Norman Fowler, the present Transport Minister, was to initiate consultations with industry on the most desirable timetable for introducing the tachograph.

check running hours and rest periods takes a couple of minutes. Likewise, Kienzle technicians can interpret only their own dials. But the most important issue remains the one which was on Herbert Kienzle's mind when he devised the tachograph: how to get the maximum performance from a lorry. It is possible to argue, and many UK fleet operators do so, that they cannot learn anything from the tachograph. They already monitor their vehicles' fuel consumption, maintenance patterns and delivery schedules so carefully that their patterns of operation are as good as they reasonably can be. The tachograph manufacturers' counter-argument is that the same information can be supplied more accurately and read out more quickly using the tachograph and that the flow of information is constant. There is no question of having to take decisions on the basis of sampling. The most sophisticated type of tachograph (inside the Kienzle museum there are several hundred tachograph types) is capable of telling the lorry owner the periods for which the vehicle was driven, whether the non-driving time was for customer delivery, rest or other cause, the engine revo-

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Claim for negligence

A bank gives a favourable financial reference for a customer (i.e., as good for a rent of £1,000 p.a.) at a time when it is in fact pressing the customer to discharge a debt to the bank because it can perceive him to be insolvent. The recipient of the reference in consequence lets a house to X and suffers loss of rent. Unfortunately following Hedley Byrne and Co. v. Hillier and Partners Ltd. (1964) it appears to be necessary in such case, in order to recover damages from the bank, to prove that the bank was not merely negligent but in fact fraudulent in giving the reference. It would be difficult to prove a fraudulent intent since it does not seem that to assist the customer in obtaining a roof could be expected to assist the bank to recover its debt, and there is thus no apparent motive. On the other hand, such a degree of mere negligence appears incredible. The case quoted seems in fact to have created a remarkable injustice. Can your Legal Correspondent see any way round this?

Dismissal procedure

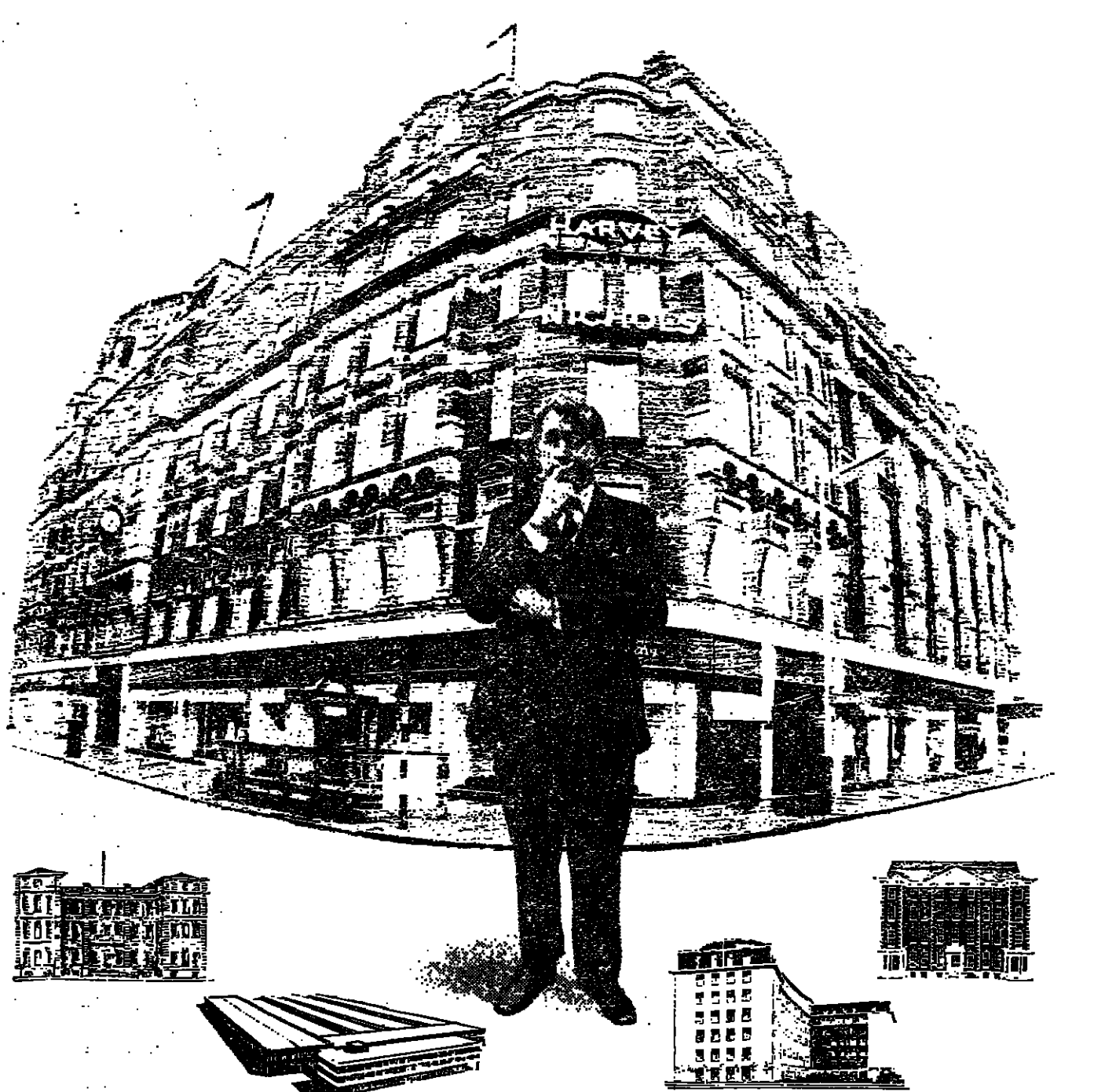
Could you please explain the procedure an employer must follow in order to dismiss an employee of less than six months' standing also what right of appeal the employee might have? There is no special procedure: notice should be given in accordance with the terms of the contract of employment, or if there are no express provisions as to notice of termination, one week's notice must be given if the employment exceeded 13 weeks. There is no appeal against dismissal as such.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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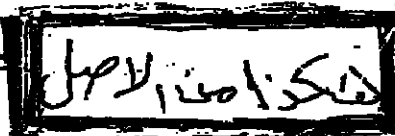
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Television

Those summertime blues by CHRIS DUNKLEY

Those of us who watch television even during the summer...



Billy Hartman watched by Lulu, Alvin Stardust and Les Gray in 'Oh Boy!'

Furthermore, that 17m in the summer was for 'The 17m'...

you are I or the London Palladium would consider quite a healthy-sized crowd...

the American import Police Woman, the news, a repeat of Granada's outstanding dramatisation of Hard Times...

Perhaps that is right. Certainly the ballet was a most dramatic and exciting production...

Furthermore there were a couple of programmes last week which it would have been a pity to miss.

There was, too, John Elliot's Dear Harriet in BBC Bristol's filmed 'Turning Year Tales'...

Royal Court

Reggae Britannia

by B. A. YOUNG

"I could no more understand a play like this," James Agate once said, "than my cat could understand Euclid."

There are two long spells of reggae during the evening, composed and played, through an immense battery of speakers...

St. Bartholomew-the-Great, Smithfield

Anglo-American by NICHOLAS KENYON

An evening of Very Lovely Sounds (plus a small pay-off joke) at St. Bartholomew's, as the second Festival of 20th-Century Music directed by Andrew Morris launches its week of concerts...

But the evening's main interest lay in a chance to hear two works by the youngish American composer Barbara Kolb...

There is a recording of this piece (on Desto DC7143, from Discurio in Shepherd Market) along with the flute piece Figments and the excited Mallarmé settings Chansons Bas...

Sadler's Wells

Rambert Ballets

The week brings five works new to London in the Rambert repertory: no mean achievement.

Just as the production mixes actors and singers, so Vincel's score mixes high-flown da capo arias and popular songs with bold charm.

Florence

A re-discovered Leonardo

Among the neglected composers to whom musicologists have turned their attention in recent years...

and, even more providentially, her sea-captain father. The father has captured a Turkish vessel, so there are some exotic slaves to enliven the final act.

performance more agile; instead, it becomes heavy, confusing. The omnipresent mime — not, presumably, in the original libretto — supplies that superfluous, camp ingredient which now seems obligatory in all stagings of operas of this period.



Gennarino Palumbo, Giuseppe Barra and Gennaro De Sica in 'Li zite 'ngalera'

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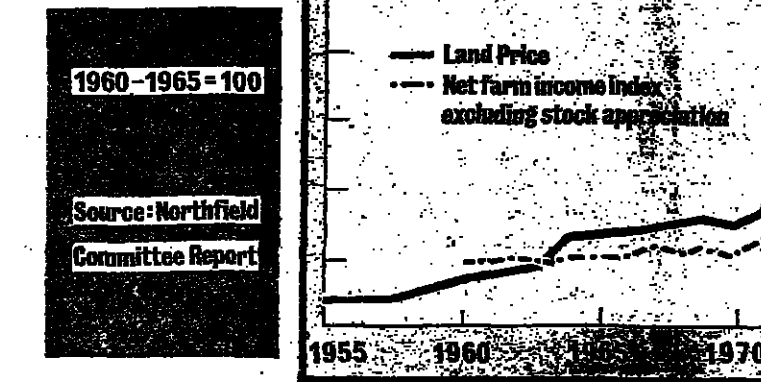
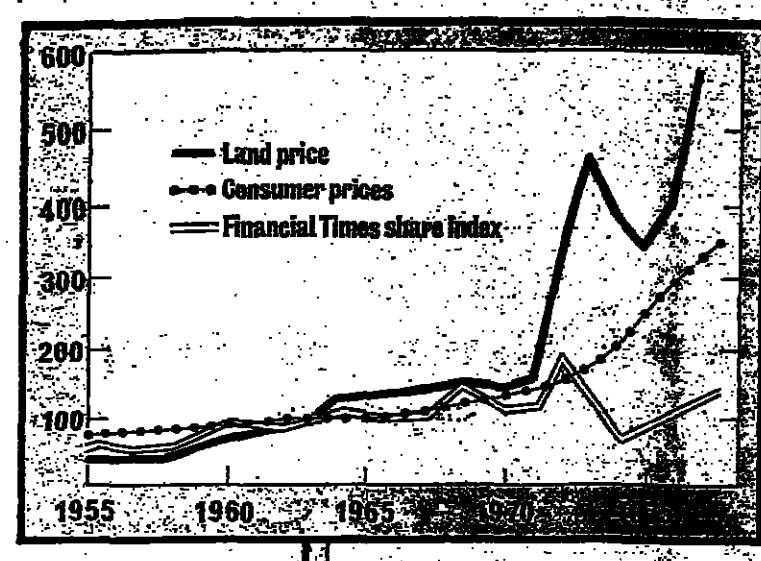
An end to the myths of land ownership

BY CHRISTINE MOIR and CHRISTOPHER PARKES

A last effort on Rhodesia

THE CARRINGTON initiative on Rhodesia was formally launched in the House of Lords yesterday afternoon. It has all the air of a make or break last try. Lord Carrington is clearly going to attempt between now and November to "bring Rhodesia to legal independence in such a way as to win the widest possible international acceptance."

THE NORTHFIELD Committee's report on agricultural land ownership, published yesterday, serves a useful purpose in dispelling several myths which have haunted British farming and distracted the industry's policy makers for the past 10 years and more. This is so in spite of the fact that its impact is diffused by wide differences of opinion among its contributors and its consequent lack of sharp focus.



AGRICULTURAL LAND PRICES (ENGLAND AND WALES) AND COMPARATIVE INDICATORS

1960-1965 = 100 Source: Northfield Committee Report

and medium-sized tenancies give new farmers a start. The Government could acquire its holdings by, in certain circumstances, taking land in lieu of tax. It could encourage the formation of more tenancies suitable for beginners by helping large-scale landowners to hand over part of their holdings to a form of charitable trust.

Exploiting the North Sea

THE LATEST Government statistics on Britain's offshore oil assets confirm a disquieting trend. Once again they show that previous forecasts of available reserves and annual production rates were over-optimistic.

Northfield's main contribution to shedding light on an industry beset by myths and prejudices in the absence of facts, is by correlating available information from all the institutions. In so doing the committee has dispelled a particular myth: that the institutions will shortly be the largest owners of agricultural land in the country thereby driving out individual farmers and landowners.

the market each year in Great Britain. Furthermore, their pre-occupation with the let land market (itself much smaller than the vacant possession market) means that their purchases of vacant land have "rarely" been as much as 5 per cent of that on offer.

MEN AND MATTERS

Playing Cassandra on the chip. Pessimistic noises about property send shivers down the spine of many in the City. When the man making the noises controls £2bn of investment, and has a record of making the right decisions, the response is an awkward silence.

about what is described locally as "Stag 17" that they have even got in touch with the Division of External Affairs to do something about it—they are worried, they say, that it may decrease the value of their homes.

SPECIAL ANNOUNCEMENT FOR PHILATELISTS "Year of the Child" Special Stamps Issue Date To improve supplies of postage stamps at Post Office counters during the present industrial dispute at the supply depot, the Post Office has decided to advance the issue date for the "Year of the Child" special stamps. They will now go on sale today instead of July 18th. Normal first-day-of-issue facilities will also be provided. The Post Office



Handwritten note: JPY 150/150

FINANCIAL TIMES

Eurobond Quotations and Yields



THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 30th JUNE, 1979

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobonds...

Eurobonds in June

BY FRANCIS GHILES

By late June, private and institutional investors had taken leave of absence from the dollar sector of the Eurobond markets...

only against the U.S. dollar but against the harder currencies.

Among those borrowers tapping the dollar sector of the market last month, U.S. corporations were again much in evidence.

With bankers disagreeing until recently on how fast U.S. interest rate levels were likely to decline and how well the dollar would perform...

of new paper on offer was such as to provoke a generalised state of indigestion in the market.

By early July however, the lead managers of some of the new offerings, such as the \$30m issue for the Australian Resources Development Bank...

The outlook for the dollar sector was clouded by uncertainty over the U.S. currency for the first time since the Carter package pushed the dollar up against most major currencies last November.

As the rally witnessed in the dollar sector of the bond market during the first half of the month ran out of steam attention shifted to the Deutsche-Mark sector.

The turnaround was so swift that Westdeutsche-Landesbank was able to announce both a cut in the coupon on the bond it was offering for Norges Kommunalbank...

This success story happened less than two weeks after the German capital markets Sub-Committee, which meets at monthly intervals to determine the new issue calendar for Deutsche-Mark bonds...

This figure included a DM 400m bond for the World Bank which was so well received last week that the lead manager of the issue, Deutsche Bank, was able to price it at par and a half.

All points to continued investor demand for DM

denominated paper, even over periods of two and three days during which the dollar is stable.

The Swiss Franc sector has also been firm though prices of Swiss franc pounds have risen less than those of D-Mark denominated paper.

The other sector where investors have been looking to substantial gains has been in sterling denominated bonds.

The rise here is attributable to the spectacular strengthening of the UK currency which by the end of last week had reached its highest level against the dollar since June 1975.

No flood of new issues marred the pleasure for holders of sterling bonds who were able to watch most issues rise and some get very close to, if not over, par.

CONTENTS

Table listing various Eurobond categories and their corresponding page numbers, including US Dollars, Euro Currency Units, and various regional currencies.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD.

CREDITANSTALT-BANKVEREIN advertisement featuring a logo and details of a \$80,000,000 Floating Rate Notes 1991 issue, including terms and participating banks.

YAMAICHI advertisement with the headline 'If expertise in securities is money, Yamaichi is worth fortunes.' and a list of 40 participating banks.

Table of financial data for US Dollars - Australia (Continued). Columns include Country, Currency, Maturity, Price, Yield, and various market indicators.

Table of financial data for US Dollars - Canada (Continued). Columns include Country, Currency, Maturity, Price, Yield, and various market indicators.

Table of financial data for US Dollars - France (Continued). Columns include Country, Currency, Maturity, Price, Yield, and various market indicators.

Table of financial data for US Dollars - Italy (Continued). Columns include Country, Currency, Maturity, Price, Yield, and various market indicators.

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Handwritten scribble at the top of the page.

Large financial table with multiple columns containing bond data, including issue names, denominations, and yields. The table is organized into several sections, likely by currency or region.



Advertisement text for TDK, starting with 'Finding electronics hard to handle? Leave it to us.' and describing the company's products and services in the electronics industry.

Austrian Quotes
Quotations and Yields of Austrian Eurobonds

Table of Austrian Eurobonds with columns for Issue, Coupon Dates, Repayment, Price, Current Yield, and Current Yield to Maturity. It lists various D-Mark and U.S. Bonds.

Advertisement for GZ (Girozentrale Vienna) as a market maker in Austrian Eurobonds. It includes contact information and a logo.

Handwritten scribble at the top right of the page.

Table with columns for currency, instrument, price, and other financial data. Includes sub-sections like 'US DOLLAR-FINANCING RATE (CONTINUED)' and 'CANADIAN DOLLARS (CONTINUED)'.

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Table with columns for currency, instrument, price, and other financial data. Includes sub-sections like 'US DOLLAR-FINANCING RATE (CONTINUED)' and 'CANADIAN DOLLARS (CONTINUED)'.

Main table of financial data with multiple columns for various securities, including company names, dates, and prices.

Table of financial data, likely a continuation of the main table, showing various securities and their market values.

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 7.70% 5 years maturity: 7.85%

WestLB Euro-Deutschmarkbond Yield Index

June 29, 1979: 7.25% (May 31, 1979: 7.34%)

WestLB QUOTATIONS AND YIELDS

Life and Maturity appear in years and decimals of years and are in this context calculated as follows...

Table of WestLB quotations and yields, listing various financial instruments and their corresponding rates and yields.

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Handwritten text: 10/11/79

WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption - mandatory drawing by lot at par or sinking fund. Contains numerous entries for various Euro-Deutschmark bonds.

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Table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption - mandatory drawing by lot at par or sinking fund. Contains numerous entries for various Euro-Deutschmark bonds.

For current prices and further information call WestLB International S.A. Luxembourg. Telephone 454 832. Telex 2831. Hong Kong Limited. 107 Hutchison House. Telephone 252 026. Telex 75142.

Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds

Westdeutsche Landesbank Girozentrale London Branch 21, Austin Friars London EC2N 2HB/UK Telephone 6386144 Telex 887984

A testing time for metals

By JOHN EDWARDS, Commodities Editor

THE RECENT sharp fall in copper prices may have been a great relief to industrialised countries already having to pay a great deal extra for all supplies. But for copper exporting countries, mining companies and commodity speculators the fall has been a severe disappointment.

Copper's depression after four years of steady prices had every reason to expect prices to surge this year as the surplus of supplies finally disappeared. In the first few months of the year it seemed that that hope of a boom had come true. Copper prices on the London Metal Exchange shot up from under \$350 a tonne in December to a peak of over \$1,070 in March, and there were confident forecasts that the all-time high of \$1,400 reached in early 1974 would be exceeded. Instead the market has fallen back during the past two months and is struggling to remain over \$800.

Prices fall

In the U.S. price movements have been even more dramatic, ignited by the changes in the value of the dollar. In April U.S. domestic copper prices went over the \$1 a lb mark for the first time ever; now they are back to around 88 cents or lower.

What is more, market traders both in London and New York are full of gloomy predictions that prices could well fall further in the months ahead—a bleak outlook for developing countries like Zambia, Zaire, Chile and Peru, which rely on copper for the bulk of their export earnings.

Zambia and Zaire will be hit particularly hard since their production costs have been inflated by transport problems, and a series of other difficulties including the invasion of the Shaba province in Zaire last year.

The reason for this unexpected downturn in the market could, perhaps, be summed up in one word: oil. But it is not quite so simple. Demand for copper has risen strongly in recent years, particularly in the U.S. because of the consumer spending boom there.

It was generally expected that U.S. demand would ease during the mid economic recession predicted at the end of this year or early 1980. But it was felt, any reduction of U.S. demand would be offset by rising consumption elsewhere, a reduction of supplies, particularly from the African continent, and a desire of consumers to build up their holdings in view of the steep decline of surplus stocks on the world over.

Copper stocks held in the London Metal Exchange "warehouse" have fallen from an all-time peak of 645,000 tons in January 1978 to the present level of just over 191,000 tons. This year alone they have fallen by over 130,000 tons and there is a general shortage of good quality brands of copper, especially wirebars, and a world scarcity of one concentrate as a result of reduced mine production.

Although LME warehouse stocks are still at a high level historically, they are expected to continue declining as the African producers struggle to meet their supply contracts commitments. Past experience has shown that warehouse stocks disappear very quickly once the copper "cycle" has turned with production falling short of demand.

There was every indication that the copper supply-demand "cycle" had finally turned round. The heavy investment in expanding output in the late 1960s, which helped to create the recent surplus, has come to an end. As a result of the strike at a series of mines at North American copper smelters and a sharp reduction of sup-

plies from the African continent, perhaps, have removed the previous surplus. So it seemed inevitable that copper prices must continue to rise as shortages developed.

Speculators certainly thought so when they rushed into the market earlier this year and prices were driven up fast and furious. However market sentiment has now changed radically, especially in New York. Apart from the burnt fingers, there is an odour of distinct pessimism about the future trend of copper prices. True, some traders consider that the predicted economic recession will never materialise and that all the "bad" news has already been discounted in the fall in prices. But the majority take a much gloomier view. They suggest that the shock to the American economy, and particularly to the automobile industry, administered by the oil crisis is so great that it could well result in a depression rather than a recession, this winter.

They point to the huge fall of sales of the U.S. automobile industry—a big user of copper and other metals—as well as a decline of U.S. housing starts. The American way of life, it is argued, is so centred around the car that the shortage of change buying habits causing a sharp decline of sales of products containing metals.

Who is likely in these circumstances, to go ahead with the kind of capital investment programmes that account for the bulk of metals consumption? And if the U.S. economy does go into a depression, how can the rest of the world avoid following?

There is, of course, another side to the argument. Inflation, and the rising cost of oil, must eventually be met by a reduction of the copper price to meet increased costs of production. Supply disruptions are likely to become even worse if market prices move lower again.

Demand for metals may also be stimulated by the search for alternative sources of energy—solar, for example, require a large amount of copper—and substitution of metals by oil-based plastics may well be reversed. But these "plus" factors are all essentially longer term influences, while the metal markets are more concerned with short-term developments.

Side-effect

Copper tends to be the trend-setter, but the threat of a depression, or a severe recession, affects virtually all other metals too. In the past year, generally increased demand, on top of a cutback of supplies resulting from previously depressed prices, has brought some sharp rises of the prices of several metals. But these too are now showing signs of cooling off. Lead, for example, rocketed to record prices as a result of heavy sustained buying from Communist bloc countries, led by the Soviet Union.

The unexpected surge of Soviet buying of several metals, and reduced Soviet sales of nickel and platinum, have not been satisfactorily explained although there are countless rumours and theories. These range from stockpiling against a possible war with China to undermining the Western world economic system, to the more mundane explanations of production problems and increased domestic demand as a result of improved standards of living in the Soviet Union.

But the Communist bloc buying of lead has had an exaggerated impact, because production had already been in a state of decline. The bloc has reduced output of its "sister" metal, zinc. The surplus of zinc became so bad that producers had to do something drastic to alleviate heavy losses, even if it meant also cutting output of lead which is often mined in conjunction with zinc. The reduction in production has brought higher zinc prices, but demand prospects still look poor.

Production cutbacks have also brought aluminium supplies back in line with demand. There have been substantial price rises in the past year and growing fears of a growing shortage of supplies developing in the years ahead. Aluminium producers decided that their previous policy of "buying" market shares from other materials, notably copper, by keeping output up and prices low, was too unprofitable. So they are tailoring output more to fit expected demand, although their calculations may now prove to be too optimistic.

Nickel achieved a remarkable turnaround as a result of the nine-month strike at International Nickel's giant Sudbury complex, which normally produces some 70 per cent of the group's nickel and virtually all its copper, platinum and cobalt.

The strike, which lasted far longer than anyone expected, removed the surplus supplies that had been so depressing the market. Producers were able to raise prices substantially. Now that the strike has finally ended the market is looking rather shaky despite the greatly improved supply-demand balance.

There have been some spectacular price rises, too, for other metals, like cobalt, molybdenum and platinum, where the recovery of demand coincided with a paucity of available supplies. Cobalt production was sharply cut by the invasion of the Shaba province in Zaire hit the Kolwezi mines, which had the capacity to produce some 70 per cent of the world's output.

Production of cobalt at Kolwezi has been very slow to recover and world stocks are very low. But there are plans to increase output significantly in the rest of the world, and cobalt prices on the free market have already eased significantly.

Platinum prices, too, which were forced up by the lack of Russian selling at a time when South Africa had cut back output appear to have settled down with the market tending to drift lower after a massive rise during the past two years.

Tin prices have been sustained at high levels, in spite of a fall in demand, by a continued squeeze on available supplies. This has been made possible by the failure of President Carter to persuade Congress to authorise releases of surplus tin from the U.S. strategic stockpile. Consumers, who were reluctant to build up stocks when there was a possibility of cheaper-priced stockpile supplies, were forced to pay much higher market prices when the stockpile sales failed to materialise. The sales of surplus tin and silver from the stockpile are supposed to fund purchase of other materials, now deemed to be in deficit under the revised strategic objectives of maintaining sufficient supplies to sustain a three-year war. Materials in deficit include copper, lead, nickel, platinum and zinc.

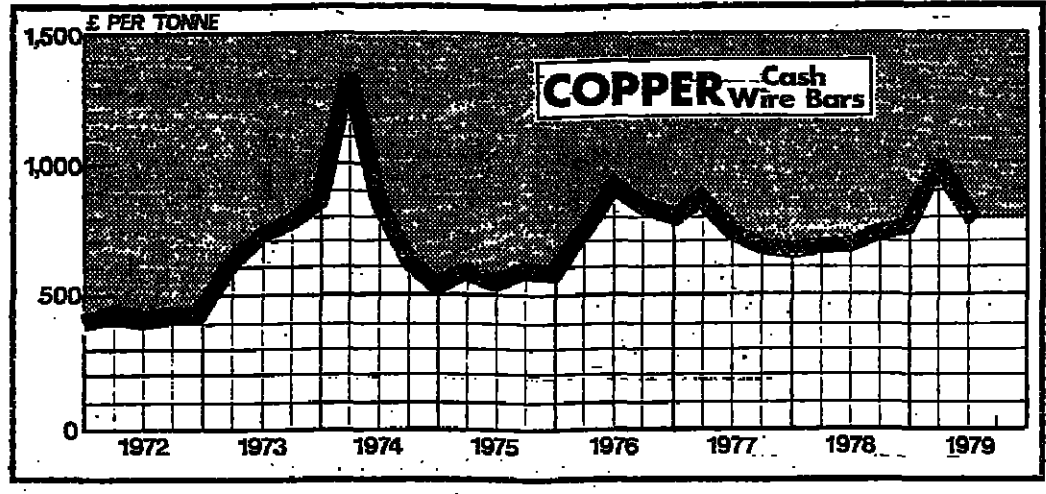
Other countries—France, Japan and recently West Germany—have made some attempts to build up fairly modest stockpiles of raw materials they consider will be in short supply in the future.

Although some of the shortages remain, the general trend throughout the metal markets has been for prices to ease earlier than usual prior to the normal seasonal fall in demand during the summer months.

The testing time will come in the autumn. Metal producers, which were looking for further price rises to compensate for the years of poor returns and losses, are fearful that the oil shortage will torpedo their hopes. The exception, of course, is gold—the traditional store of value during times of uncertainty.

The lack of investment in new exploration and mine projects during the past five years should mean that an acute shortage of copper, and many other non-ferrous metals, will develop in the 1980s if the normal cycle of supply and demand is followed.

The worry, from the producers' point of view, is that the oil shortage might fundamentally change that cycle and cut the underlying growth of demand that has so far sustained the metals industry. It could take a long time before the potential expansion in other markets—the Communist bloc, oil-producing and developing countries—compensates for any reduction of demand in the industrialised world.



COPPER SUPPLY-DEMAND BALANCE

(1,000 tonnes)

	1972	1973	1974	1975	1976	1977	1978
Mine Production	5,444	6,031	6,151	5,725	6,157	6,291	6,040
Refined Production* (including scrap)	6,385	6,685	6,945	6,281	6,637	6,854	6,845
Refined Consumption*	6,275	6,946	6,504	5,455	6,429	6,892	7,212
Balance of Metal Production over consumption	+110	-261	+441	+826	+208	-38	-367
Overall balance after taking into account net East-West Trade and stockpile changes	+118	-192	+431	+836	+200	-17	-335

* Western World only

Source: British Non-Ferrous Metals Federation

MPs' pay and inflation

From Mr. J. Roselli

Sir,—Which category of people is least concerned by inflation? Transport problems, and a series of other difficulties including the invasion of the Shaba province in Zaire last year.

The reason for this unexpected downturn in the market could, perhaps, be summed up in one word: oil. But it is not quite so simple. Demand for metals may also be stimulated by the search for alternative sources of energy—solar, for example, require a large amount of copper—and substitution of metals by oil-based plastics may well be reversed. But these "plus" factors are all essentially longer term influences, while the metal markets are more concerned with short-term developments.

Why are MPs now considering proposals to protect their own salaries from inflation? Because, I suppose, they do not want to put themselves in the position of having to debate in public the amount of their salaries.

Is it a good idea to give MPs this protection? Will it give them the incentive to fight inflation? I doubt it.

J. M. Roselli,
63, St. Margaret's Street,
Rochester, Kent.

The strong pound?

From Mr. E. Peters

Sir,—This talk of the "strong" pound affecting our export capability baffles me because in terms of the major industrialised countries of the world, with the sole exception of Italy, the pound is "weak."

Since the Wilsonian fixation of currencies in November 1971, sterling has registered a progressive decline against the currencies of countries representing our major export opportunities. Specifically the following movements have taken place—

Belgian franc	45%
French franc	29%
W. German Mark	55%
Japanese yen	44%
Swiss franc	64%
U.S. dollar	8%

* As at 5.7.79.

The overall depreciation of the pound sterling since November 1971 is 28.3 per cent.

Against this background, British manufactured goods should be competitive and enjoying a substantial and growing export sale. The fact that the U.K. has a limited export volume is not a function of exchange rates but of productivity. Japan and West Germany with two of the strongest currencies in the world have no difficulty selling abroad and have large visible trade balances.

Productivity, combined with quality and the ability to deliver, remains the key.

E. G. Peters,
15, Hampden Hill,
Beaconsfield, Bucks.

Scottish land-owners

From the Viscount of Arbuthnot

Sir,—I hope you will allow me to answer the allegations made by "Observer" in reply to my letter in your issue of June 19. He has now given three main sources for his evidence to support his earlier accusation of

Letters to the Editor

"scandalous evictions" supposed to have been perpetrated by landlords in Scotland, thus giving "landowners" a bad name.

He has firstly referred to just six reports in five years in other sections of the Press and on BBC Scotland and has drawn his evidence from them to support his three examples of bad land use on Mull, Harris and in Kinlochsherry. He has thus used, to support his assertions, reports by other commentators which will be at least only second-hand to him! One of these reports has already resulted in the landowner concerned being offered an apology and compensation for what was said and in this instance at least "Observer" is on dangerous ground himself. In another the landowner gave an explanation of his decisions in a letter to the Guardian but this is not mentioned. In the third case I have checked the statements about the only Swiss landowner known to me on Harris, and there cannot be many, and nothing of what "Observer" alludes to has happened there.

In addition to such second-hand accounts, "Observer" has called as justification of his argument "recent debates at annual conferences of the Scottish National Party" and of the Labour Party! Since both these political groups are dedicated to the abolition of private ownership of tenanted land and to nationalisation of all other land in one guise or another it is ludicrous to claim that contributions made at such conferences are likely to give an objective opinion on the status of landowning!

"Observer" quotes extensively from Sir Kenneth Alexander who was, at the time he made those speeches, overtly seeking support for proposals by his Highlands and Islands Development Board for greater powers to control land use. Sir Kenneth himself admitted that such powers would only be given if required in a small minority of cases but this part of his speech was naturally not quoted.

My contention is still that none of the evidence submitted by "Observer" carries any conviction at all. It cannot, therefore, be denied that there is some validity in my belief that blinkered Press reporting using preconceived ideas of the reporter is the real cause of many worthy people being given a "bad name" as were, in this case, Scottish landowners, 99 per cent of whom are dedicated to the best possible management of their land and are fully conscious of their social obligations to the community in which they live.

Arbuthnot,
Arbuthnot,
Laurencekirk,
Kinlochsherry.

The loser in the equation

From Mr. J. Younger

Sir,—With reference to the Lombard column (July 5) "How they count reformed money," I would like to cut through the muck of erudite monetary jargon and come to grips with a few basic principles. A heavy weight sits on our economy, born more out of fear and misunderstanding than through enlightened policy. The complexity of policy, heavily administered, stifles the free function of economic activity. Take a simple look at inflation and its

Consequences on human economic behaviour—the building block of economic performance. Why argue about distinctions between the trees in the forest or which way to cut the cloth, when the system is being stretched to unnatural limits?

Work provides income. Income is the basis for saving, saving for investment and so the system grows as it becomes organised and responsive. Money is the lubricant of the system.

Introduce inflation into the system. Print some free money—well, easy to come by when convenient—no accounting for its creation in double-entry bookkeeping. But you need more money in circulation where there is an inflationary tendency, it is argued. Well, we are all entitled to our opinions—but I know where I put my bets when it comes to preserving the value of my pounds in my pocket—in such a place where there is not a continuing abundant flow of them to dilute their meaning.

It is as if I am afraid, as simple as that. If the intellectual wishes to argue against printing money being the immediate cause of inflation, whatever the circumstances are leading up to its being printed, he may pay the cost of such indiscipline.

Maybe, however, he has perceived that if he borrows £25,000 and buys a house obtaining a tax relief, so his net cost is far below the inflation rate, perhaps, in three or five years, he will look back in satisfaction on his real increase in wealth far beyond his dreams. His house value up 100 per cent, his income up 40 per cent, his debt looking so small in relation to its original load.

What about the loser in this equation—for if there is little economic growth over several years as in the UK and some people are finding themselves vastly better off, at whose cost is it? The wretched saver, of course. He is taxed on his income and watches his (and countless of other millions of people like him) purchasing value dissolve away into faded aspirations.

So how does the economy grow if the saver gets taxed by inflation and the spender benefits? What is the use of being a constructive cog in the economic machine if your basic building block is an illusion? Let's have a vote for common sense.

J. M. D. Younger,
25, Milner Street, SW3.

Architecture in Britain

From Mr. F. Noel-Baker

Sir,—No one present on the first evening, last Thursday, of the annual exhibition of the Architectural Association School of Architecture, could fail to be impressed by the quality of the students' work and, indeed, of the students themselves.

Is it not tragic that this oldest, largest and best architectural school in the world should now be receiving no mandatory support from local authorities or central government, and that, of this year's intake of students, only 12 per cent are British—as against 80 per cent shortly after the war?

How sad that this unique, brave and thriving British institution should not be available to more than a handful of British students, whereas many

Paying for fuel

From the Chairman, National Right to Fuel Campaign

Sir,—You reported (June 27) on the discussion paper issued by the Electricity Consumers' Council suggesting various ways, alternative to the Donnan proposals, in which poorer people might be assisted in paying for increasingly expensive fuel.

While welcoming the paper, this Campaign wishes to make three criticisms. The paper makes only passing reference to the American experiment in lifetime tariffs. These merit much fuller consideration than is given. The paper does not accept that the problem must be solved principally as an act of social policy. We feel that assumption, long an article of faith for the electricity and gas industries, needs challenging. Much more can be done through the tariff structure, by more frequent billing, with greater availability of prepayment meters and methods by the industries themselves and that it is not enough for them to place the responsibility for helping their poorer customers wholly on the already over-stretched social services. We would suggest the Department of the Environment and Energy have a role to play in strongly supporting, as a priority, insulation and energy-saving programmes among poorer consumers, and that savings so made by one-off capital expenditure have to be part of any concerted plan to help poorer consumers.

Peter Houghton,
318, Summer Lane,
Birmingham.

Bring back the trolleybus

From Mrs. M. Sheppard

Sir,—Mr. Finney writes an encouraging note (July 6) concerning the "cold water" treatment for hay fever sufferers. I too have tried all the medical remedies—without much success. Pills make me dozy, sprays are quite useless and side-effects are more trouble than the allergy itself. I have found that ice-cubes applied to the sinuses are even better than cold water. Try it folks and turn yourself back into a human being!

(Mrs.) Mary Sheppard,
4 Garden Place,
Sudbury, Suffolk.

Unwatered eyes

From Mr. J. Genders

Sir,—Mr. B. Finney (July 6) advises sufferers from hay fever to wash the face in cold water. Some years ago I was advised not to wet the eyes during the troublesome season. I follow this advice and find that if perchance I forget to do so the result is a savage attack of the fever. One can keep surprisingly clean even without washing the face!

J. F. Genders,
114, Evelyn Avenue,
Ruislip, Middlesex.

By means of overhead trolleybus wires, vehicles being fitted with retractable pantographs or pick-ups. At the ends of main roads and at road junctions the pantograph is retracted and power taken from batteries. Possibly in some parts of cities goods vehicles could take power from the wires provided for psv trolleybuses, thus further reducing the need for batteries.

Some such system of providing traction power will be needed before long. In view of the scale of the task in providing a nationwide road supply system this whole question is surely now a matter to which the Government should give urgent attention.

A related topic is what is to power future generations of aircraft. What oil fuel remains should surely be reserved for aircraft. Further, air transport should be confined to the longer routes and shorter journeys made by surface (RAU). For Britain this surely means building the Channel Tunnel. Cutting down short-haul air operations might also render the third London airport unnecessary.

A. H. Lines,
26, York Avenue, SW14.

At present battery-electric vehicles are practical but have limited range and the batteries add considerably to the weight. For light delivery vehicles (1-2 tons) and cars moving around city and suburban areas these disadvantages do not appear too serious. However, for heavy trucks operating over long distances some other approach is called for. Switching freight to the railways has some possibilities but getting goods to and from the railhead must always be a problem, quite apart from the costs of changing transport mode.

One possible approach is to resurrect the trolleybus, both for public service vehicles and, in modified form, for long-distance freight haulage. For the latter what is envisaged is the electrification of main roads

Today's Events

- GENERAL**
- U.K.: The Prime Minister visits Scotland.
 - Mr. Denis Healey, Shadow Chancellor of the Exchequer, and Mr. Terry Duffy, Amalgamated Union of Engineering Workers president, speak at Institute of Personnel Management reward conference, London.
 - Mr. William Whitelaw, Home Secretary, speaks at Dept. of Health conference on intermediate treatment, Sheffield.
 - Accounting Standards Committee public hearing, Dublin.
 - Union of Post Office Workers has productivity talks with Post Office.
 - Overseas: Conference on South East Asian refugees opens, Geneva.
 - International Energy Agency governing board meets, Paris.
 - Second day of Begin-Sadat talks, Alexandria.
 - PARLIAMENTARY BUSINESS**
 - House of Commons: Motions on Ministers' and Members' Salaries, Allowances and Pensions.
 - House of Lords: Debate on Government plans to reverse the UK's economic decline. Criminal Justice (Amendment) Bill, second reading.
 - OFFICIAL STATISTICS**
 - Department of the Environment publishes new construction orders for March and April.
 - COMPANY RESULTS AND MEETINGS**
 - See Company News on Page 19

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Your international connection

Status Discount advances to £2.4m at six months

TAXABLE profits of Status Discount jumped to £2.4m in the 26 weeks to June 15, 1979. In the corresponding 29 weeks to June 17, 1978, pre-tax profits were £1.62m. At the year-end the surplus stood at £3.79m.

The directors say that although the VAT increase will cause some consumer resistance, the competitiveness of their products and an aggressive marketing policy, coupled with new store openings, should produce satisfactory profits for the year.

The net interim dividend per 10p share is being lifted from an equivalent 0.402p to 0.7p. Last year's total was equivalent to 0.585p.

The directors add that the bad weather hampered the expansion programme but the group was able to open four stores and in the remainder of the financial year will be opening another six.

Sales of the newly-introduced bedroom units have been encouraging. One of the group's companies has started buying and leasing plant. This has had a minimal effect on the balance sheet but the directors feel it will make a useful contribution to future profitability.

After a change in the policy on deferred tax, the half-year charge is down from an amended £201,000 to £120,000. Net profit is ahead from £1.42m to £2.29m.

Dividends take £280,000 (£161,000) and after net extraordinary charges of £225,000, the surplus is up from £1.48m to £2.07m.

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Eurotherm Intl.	19	5	Parker (Fredk.)	20	4
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LASMO	21	1	Wigfall (Henry)	18	4
Macpherson (Donald)	18	4	Wrighton (F.) & Sons	20	6

Since January 24 this year the trustees of Mr E. D. Healey's family settlement have disposed of 300,000 shares in the company.

comment

After the heavy growth rate of the post-recovery years, a 49 per cent interim pre-tax advance from Status Discount may be construed as a little pedestrian. A harsh judgment, perhaps, but the shares dropped 5p yesterday to 73p where, on broadly maintained second half earnings, the p/e is still over 12. On this earnings basis, dividend cover of around 3 indicates a yield of just 4.1 per cent. If that suggests a little vulnerability, Status is confident of weathering a new growth initiative through the new bedroom furniture range. Kitchen furniture, worth some

60 per cent of total turnover, achieved little or no volume improvement during the half year for which bad weather and the transport strike was largely responsible. The winter of discontent probably clipped profits by upwards of £250,000 and held back the rate of new store expansion. Second half openings should make up for those postponements and new promotion campaigns are expected to melt consumer resistance to the higher rate VAT but the bedroom furniture market is expected to make most of the running. Already this accounts for 28 per cent of sales but, because decorative space was sacrificed to make room for this newcomer, the net advantage was restricted to pre-tax profits of around £400,000.

comment

Higher financing costs helped knock 10 per cent off Henry Wigfall's second half profits and the group expects no major change in its borrowing position this year. Bank overdrafts totalled around £3.5m in the March 1978 balance sheet, which is a heavy burden for a company operating on lower trading margins than its larger competitors. The rise in VAT and expected stagnation in consumer spending will limit growth this year, though much will depend on when rental price increases can be pushed through. Wigfall made almost £2.4m before tax in 1978 and it seems unlikely that the group will match this figure in the current year. It has to operate two servicing divisions, for televisions and domestic appliances, and unit costs are higher than for the industry majors, so it is not surprising that the p/e is below the sector average. With the share price at 280p, it works out to 8.3 on stated earnings. The forecast of a 13.5p dividend, made during the abortive takeover bid by Comet last year, has been fulfilled and boosts the yield to 7.7 per cent. Wigfall may also be hoping it will deter other unwelcome suitors.

Wigfall ahead 35% to £1.85m

TAXABLE PROFITS in the second six months at Henry Wigfall and Son fell back from £1.72m to £1.54m, but the retail and television rental group finished the March 31, 1979 year nearly 35 per cent higher at £1.85m compared with £1.37m. Turnover rose by £7.55m to £41.8m.

At the interim stage, the directors said they anticipated that second half profits would approach the level of the same period last time, and expressed confidence that full year results would show a considerable improvement.

With stated earnings per 25p share at 30.1p (28.7p), a net final dividend of 10.5p hoists the total payment to 15.5p (15p), as forecast last year at the time of the unsuccessful takeover bid from Comet Radiovision Services.

After a tax charge of £284,000 (£18,000 credit) and an extraordinary debit last time of £112,000 available profits improved by 22.5 per cent to £1.57m. Ordinary payments absorb £703,000 (£345,000) and the retained balance emerged down £70,000 to £864,000.

comment

The attributable surplus is up from £1.32m to £1.43m.

The latest half-time figures from Donald Macpherson reveal further modest growth, and there is the added bonus of a forecast 36 per cent dividend rise for the year, giving a yield of 6 per cent. Although pre-tax profits are up 16 per cent to date, Macpherson will have to cope with the sudden hike in all prices. This will directly affect operating costs and a retail price rise is inevitable. But the paint market is fairly steady and demand is unlikely to drop off much as a result. However, higher working capital requirements will eat into the £2.3m cash raised by a rights issue a few months ago. Pre-tax profits for the full year could come out around £4.7m. A prospective p/e around 8.8 at 101p presents potential for a higher rating.

The directors say that demand remains buoyant, and they are confident that there will be further growth in the full-year results.

The company, which supplies Woolworths, increased the surplus on turnover ahead from £31.57m to £36.05m and after interest charges up from £333,000 to £400,000. At the last year-end pre-tax profits were up from £3.05m to £4.08m.

The board confirms that it intends to pay total dividends of £1.79p (2.943p) for the year, after raising the interim from 1.25p to 1.5p.

The directors point out that because of rapidly rising raw material costs they have had to raise prices already this year. And the oil price rise will mean further substantial price increases on most products in the near future.

At halfway tax takes £588,000 (£322,000) and stated earnings per 25p share are 8.9p (8.8p).

knock 10 per cent off Henry Wigfall's second half profits and the group expects no major change in its borrowing position this year. Bank overdrafts totalled around £3.5m in the March 1978 balance sheet, which is a heavy burden for a company operating on lower trading margins than its larger competitors. The rise in VAT and expected stagnation in consumer spending will limit growth this year, though much will depend on when rental price increases can be pushed through. Wigfall made almost £2.4m before tax in 1978 and it seems unlikely that the group will match this figure in the current year. It has to operate two servicing divisions, for televisions and domestic appliances, and unit costs are higher than for the industry majors, so it is not surprising that the p/e is below the sector average. With the share price at 280p, it works out to 8.3 on stated earnings. The forecast of a 13.5p dividend, made during the abortive takeover bid by Comet last year, has been fulfilled and boosts the yield to 7.7 per cent. Wigfall may also be hoping it will deter other unwelcome suitors.



Mr. John Young, chairman of Young and Co's Brewery, on one of the company's drives at yesterday's annual meeting. He told shareholders there had been "a steady and encouraging increase in the sale of our beers" during the current year. But he warned that energy costs were rising sharply and forecast that the group's fuel bill could increase by 40 per cent this year.

Brighter outlook for Eva Industries

A NUMBER of developments give much encouragement for the medium and longer term future of Eva Industries says Mr. R. Astley, the chairman, in his annual statement.

He says the group is planning to manufacture under license for EEC countries and Scandinavia, Austria, Switzerland and Spain, an agricultural transport and work vehicle called the Trantror. The directors believe this product could affect the size and shape of the group.

The agricultural tool factory in Uganda is undamaged and initial contact has been made with the new government there. The chairman says the indications are that Eva will have a role to play in the management and ownership of the company.

Negotiations are taking place vis-a-vis a joint venture to make hand tools in Indonesia. Current

expectations include the manufacture of tools under the Crocodile brand name and Eva being responsible for management so that the new company would operate in conjunction with the existing Bangkok company.

The development of the group's sport trade from Brazil to North America has, after initial problems, begun to improve and its joint venture with Pandrol in Brazil is also moving from a development project into an established entity.

As reported June 7, taxable profits for the year ended March 31, 1979, were well down from £3,016 to £1,936, on turnover of £28.57m (£28.28m). Problems were largely confined to the agricultural tool division. Current cost pre-tax profit is £1,17m.

Meeting, Manchester, August 11, 11.45 am.

ISSUE NEWS

Weeks Petroleum listing

DEALINGS in shares of Weeks Petroleum, the Bermuda-based oil and gas exploration company whose main revenues come from Australia's Bass Strait, are expected to start next Monday, July 16, following the application for a listing by way of introduction of all the issued share capital.

Weeks, which will maintain its present Australian listing, turned in net profits last year of U.S.\$8.05m against £3.8m on revenue up from £12.68m to \$13.95m.

The company's equity capital comprises just under \$1m of convertible preferred ordinary shares of 10 cents each and \$2.8m of ordinary shares of 10 cents par value.

Weeks family amount to some 40 per cent of the issued capital, while UK institutions are believed to hold around a third of the stock. The latest Australian ordinary quotation is AS3.

Earlier this year, Weeks was considering a U.S. listing, but has now abandoned this idea in the face of the complex accounting regulations governing share quotations there.

Yearlings

The coupon rate on this week's batch of local authority yearling bonds is up from 12 1/2 per cent to 12 3/4 per cent. The bonds issued are dated July 16, 1980.

This week's issues are—North Wolds Borough Council (£1m), St. Helen's Metropolitan

Borough Council (£1m), The District of the Wrekin (£1m), Inverclyde District Council (£1m), Tamton Deane Borough Council (£1m), Canoch Cross District Council (£1m), Newport Borough Council (£1m), South Derbyshire District Council (£1m), Woodspire District Council (£1m), Wycombe District Council (£1m), Derwentdale District Council (£1m), South Tyneside Metropolitan Borough Council (£1m), Biscouffield District Council (£1m), Metropolitan Borough of Wigan (£1m), Ynys Mon-Hale of Anglesey Borough Council (£1m), Brentwood District Council (£1m), Borough of Guildford (£1m), South Yorkshire County Council (£1m), Grampian Regional Council (£1m), London Borough of Hammersmith and Fulham (£1m) and City of Lincoln (£1m).

Three-year bonds carrying a coupon of 12 1/2 per cent and dated July 7, 1982 have been issued at par by Ipswich District Council (£1m).

Company	Current payment	Date	Corre-Total	Total last
			div. year	year
Barker and Dobson	0.28	Aug. 28	Nil	Nil
Eurotherm	1.5	Aug. 28	0.41	2.68
Philip Harris	3.55	Aug. 17	2.978	4.32
Investors Capital	1.15	Sept. 7	0.7	2
D. Macpherson	1.5	Sept. 3	1.25	2.94
Marling Inds.	0.7	Oct. 9	0.53	1.03
Neil and Spencer	2.8	Oct. 2	1.15	4.7
Status Discount	0.7	Sept. 5	0.4	0.9
Utd. Brit. Secs. 2nd Int.	3.7	Aug. 31	3.19	4.44
Henry Wigfall	10.5	—	4.5	15.75
F. Wrighton	1.08	—	1.08	1.08
Fredk. Parker	48	Aug. 2	2.48	8.99

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Forecast 4.179p total.

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Court Line second payment

The joint liquidators of Court Line have, as expected, said they intend to declare a second dividend of 3 1/2p in the £ on admitted unsecured creditors claims. This makes a total distribution so far, of 7p in the £.

The Statement of Affairs of Court Line, as issued by the Official Receiver in 1976, indicated gross realisable assets of £21.4m, of which £13.1m has been realised for assets charged to various banks on their claims for £23.1m. These banks, after realising their security, were left with potential unsecured claims of £12m, which, when combined with unsecured creditors' claims of about £81.7m, brings the total unsecured creditors' claims to about £73.7m.

Other gross realisations amount to about £3m, before costs which exceeds the original estimates of the assets concerned. All major assets of the Court Line Group

have been realised other than Halcron Days Hotel in St. Lucia, West Indies, but an agreement in principle has been reached for the hotel's sale, subject to the St. Lucia government's approval. It is not considered possible, at this stage to estimate the final amount of the assets realisation although this will exceed the £31.4m shown by the Statement of Affairs.

So far, unsecured creditors' claims of £57.7m have been agreed. It is estimated that when all claims are settled the total will be less than the original estimate of £73.7m.

The joint liquidators, Mr. Rupert Nicholson and Mr. Guy Parsons, have been involved with major legal disputes as to the right to the benefit of assets and as to the amount of creditors' claim. Many of these have been settled without taking the dispute to court. There are, however,

disputes continuing which may lead to court actions.

Lane Crawford almost doubled

Net profits of Lane Crawford Holdings, a member of the Wheelock Marden group, were almost doubled from HK\$21.25m to HK\$41.06m for the year ended March 31, 1979.

The result was struck after tax and minorities. There were extraordinary profits of \$4.74m arising from the sale of investments.

A final of 40 cents on "A" shares and 4 cents on "B" shares makes total payments for the year of 30 cents and 5 cents respectively. Dividends absorb \$23.35m (\$15.9m). A one-for-ten scrip issue is also proposed.

RENOLD

THE WORLD'S LARGEST MANUFACTURER SPECIALISING IN POWER TRANSMISSION



Statement by the Chairman
Mr. L. J. Tolley, C.B.E.

The 49th Annual General Meeting of Renold Limited will be held on 2nd August at Renold House, Wythenshawe, Manchester

INTRODUCTION

In line with the experience of much of the engineering industry throughout the world, demand for Renold products during the past year generally remained flat and, in some instances, tended downwards. In the U.K., the problems arising from low demand were exacerbated on occasions by disruption in our customers' own production and hence purchasing schedules. Within the overall pattern, certain countries fared better than others and in the U.S.A. in particular demand strengthened; certain industries remained relatively buoyant, especially those associated with the production of energy.

Given the low demand levels and continuing cost inflation, the Group did well to increase the trading profit over that of the previous year. Overseas results benefited from reorganisation originated in some countries during 1977, the improvement being more than sufficient to compensate for the slight decline in those for the U.K.

Interest payments were higher because of higher rates and the taxation charge was appreciably higher as a result of the continued reduction in volume of stock with concomitant lower stock relief. Despite these higher payments, effective control of all items affecting cash, together with the funds accruing from the sale of the Fenner shares, resulted in a reduction in borrowings and, at the year end, the financial resources of the Group were in a healthy state.

PERSONNEL

In an industrial atmosphere where growth and expansion are missing, it is more difficult for

people to be motivated towards greater efforts. It is a tribute to Management and the great majority of employees that issues arising during the year throughout the organisation have been in the main solved satisfactorily. At Coventry only, where we were involved in a Phase 4 test case, was there any significant departure from the normally successful industrial relations.

GROUP MANAGING DIRECTOR
As already announced, Mr C. A. Percival having reached normal retirement age retired on 1st May 1979 from the office of Group Managing Director. Mr Percival, a graduate of the University of Manchester, began his career with the Company in 1938. He held various executive positions in all Divisions of the Company before being appointed to the Board in 1968 and becoming Group Managing Director in 1972. Mr Percival has remained on the Board since retirement from executive office and offers himself for re-election at the forthcoming Annual General Meeting. We acknowledge with deep gratitude Mr Percival's long and successful service to the Group.

The Board has appointed Mr E. Garlick, who is 54 years of age, to succeed Mr Percival as Group Managing Director. From 1976 he has been Overseas Divisional Managing Director. Mr Garlick served with the Royal Naval Air Service during the war years and, after graduating from the University of London, joined the Company in 1949. He held a number of executive positions prior to becoming Chain Divisional Managing Director and a member of the Board in 1968.

RENOLD DURING RECENT YEARS
Since 1974/5 some of the traditional markets for Renold power transmission products have declined in importance — this has been most noticeable in such industries as steel, shipbuilding, textiles, motor-cycles and machine tools. On the other hand, sales concerned with energy, welfare and in particular environmental investment have remained relatively buoyant: typical examples are hydraulic products, rotors for air compressors and pharmaceutical equipment. Compensating for the loss of traditional markets during a period of transition, in which the pattern of production in the major economies has been changing most significantly, has required careful planning. It has been necessary in some cases to rationalise production facilities, with consequent reductions in the number of employees. Throughout the world our labour force is now fewer by over 3,000 than it was in 1974/5.

In taking these measures, we have maintained our potential to take advantage of improvements in market conditions and have expanded our manufacturing facilities for those products the demand for which is expected to remain strong. The financial costs and the social consequences have been minimised by the adoption of a phased programme implemented over an extended period of time.

	This Year	Last Year
	£'000	£'000
Sales	127,602	113,498
Profit on Trading	13,844	12,972
— UK Companies	8,012	6,899
— Overseas Companies	5,832	4,273
Ordinary Stock		
Earnings per £1 unit	14.9p	17.0p
Dividend per £1 unit	10.25p	9.5446p

While these actions have absorbed much of our management energy over this period they have not been at the expense of the search for new markets and applications for existing products and the introduction of our new product ranges nor of the study of the possibilities of wider areas of interest. We believe, this transitional phase is behind us and the way is clear for further Group development.

THE ECONOMIC SCENE
Apart from the U.S.A. where demand, for the moment, is relatively strong, and Germany where economic activity now seems to be moving upwards, there is little sign of industrial recovery anywhere in the world. The recent oil price increases are a further blow to an industrial world already lacking in confidence and must result in recovery yet again being postponed. In the U.K., important industries, all of which are customers for Renold, are still being battered by imports and we all seem unable for one reason or another to respond and deal with this challenge. I believe that much of this inability stems from the attitude of the nation towards work and essential productivity. We have needed in this country a new economic motivation to which we can all respond, which will eliminate penal personal taxation, return to us the will to work, restore incentives to acquire skills and undertake responsibility and generally create an atmosphere in which entrepreneurial success can be properly rewarded. The indications are that the new Government is prepared to provide the required framework and it is up to all of us to respond to the motivations.

GROUP PROSPECTS
We cannot expect in the oncoming year significant improvements in the economic climate but, with our strong international organisation and extensive range of products which is constantly being improved and widened, we are well placed to seize opportunities as they occur. With the benefits arising from the streamlining and rationalisation within the organisation we face 1979/80 with confidence.

RENOLD LIMITED - MANCHESTER

Eurotherm International

Limited
Industrial electronic control and monitoring equipment for world markets

Interim Report 1979

	Six Months ended 30th April 1979	1978
	£'000	£'000
Sales		
United Kingdom	4,330	3,280
Overseas	5,300	4,320
Total	10,180	7,580
Profit before exchange gains on translation of overseas net monetary assets, taxation and minority interests	1,270	917
Exchange (loss) gain on translation of overseas net monetary assets	(120)	61
Profit before taxation and minority interests	1,150	978
Estimated taxation		
United Kingdom	275	288
Overseas	200	97
	475	385
Profit before minority interests	675	588
Minority interests	10	2
Profit attributable to shareholders of Eurotherm International Limited	665	586
Interim Dividend	371	—
	494	586
Earnings per share	5.82p	5.13p
Dividend per share	1.6p	—

* The 1978 tax charge has been recomputed using the effective tax rate used in the 1978 audited accounts.

Sales for the first six months have been up to budget showing an increase of more than 33 per cent. Trading is satisfactory and every company in the group is now profitable though the increased strength of sterling will continue to have an adverse effect, due to the international nature of Eurotherm's business.

The Board propose to declare an interim dividend of 1.5p per share payable on 28th August to shareholders on the register at 31st July.

هكمان الأجرل

UK COMPANY NEWS

Handwritten note: 100% 100%

Barker & Dobson profits push ahead to £926,000

PRE-TAX profits of Barker and Dobson Group advanced from £830,000 to £926,000 for the year ended March 31, 1979, after a 10% increase from £836,000 in the previous year.

BOARD MEETINGS

The following companies have notified their shareholders of board meetings. Such meetings are usually held for the purpose of considering the accounts and dividends.

shareholding in Hacks Malaysia

has been concluded, subject to certain Government permissions. Part of the consideration for the sale was the resumption by Barker of the right to manufacture and sell products in territories previously ceded to Hacks Malaysia.

Marling improves strongly to £1.31m

WITH TURNOVER up £3.2m to £17.54m, taxable profits of Marling Industries, maker of industrial textiles, moved ahead from £898,000 to a record £1.31m for the year ended March 31, 1979.

Eurotherm up £0.17m halfway

On turnover well ahead from £7.58m to £10.13m, taxable profits of Eurotherm International, which came to the market in May last year, rose from £978,000 to £1.15m in the half-year to April 30, 1979.

After minorities the attributable profit comes out at £866,000, compared with £586,000.

comment

As ever, the investment ratios for Eurotherm are frightening. At 350p, unchanged yesterday and just 5 per cent off the 1979 trading peak, the prospective p/e is over 25, assuming pre-tax profits of £3.3m for the full year, and the yield of under 2 per cent (drawing a line through a likely three times cover) is neither here nor there.

Table with 2 columns: Six months, 1978, 1979. Rows include Sales, UK, Overseas, Trading profit, Exchange loss, Profit before tax, Tax, To minorities, Attributable, Leaving, Gain, Tax charge recomputed using effective rate used in 1978 audited accounts.

Philip Harris upsurge

THE CONSIDERABLE year-end improvement forecast by Philip Harris (Holdings) turns out to be from a taxable profit of £702,234 to one of £1.15m. Turnover in the year to March 31, 1979, advanced from £9.23m to £13.51m.

Neil & Spencer rises and sees further progress at year-end

THE directors of Neil and Spencer Holdings announce taxable profits of £725,000 for the half year ended May 31, 1979, against £386,000. The current level of trading is encouraging, they state, and further progress is expected during the second half.

Investors Capital increases

Gross revenue of Investors Capital Trust increased from £1.7m to £1.8m in the half-year to May 31, 1979. In the last full year, gross revenue reached £3.6m (£3.7m). The net interim dividend is stepped up from 0.7p to 1.15p per 25p share.

Dunfermline B.S. assets at £73.3m

Dunfermline Building Society made a successful start to 1979. In the six months to June 30, total assets increased by 3.6 per cent to £73.3m, against £71.5m at December 31, 1978.

Today's company meetings

Barrow Hepburn, Connaught Rooms, Great Queen Street, W.C. 11, Copper Hill, Midland Hotel, Manchester, 11.30. Energy Services and Electronics, Piccadilly Hotel, Piccadilly, W. 12. Executive Clothes, Pateley Room, Queens Hotel, Leeds, 11.30.

Hargreaves profit maintained despite exceptional conditions

- But for the exceptionally severe weather and third party industrial disruptions in the first three months of 1979, the profit for the year ended 31st March would have been significantly higher. Turnover rose 8% to £165.7 million and pre-tax profit was maintained at £3.4 million. The total dividend per share was increased to 3.592p. The proposed rights issue of one-for-three will strengthen the Group's capital base and enable it to take advantage of opportunities for growth.

HARGREAVES GROUP Commercial vehicle distribution; contracting and waste disposal; fertilisers; fuel oil and solid fuel; plant hire; quarrying; transport.

GREENBANK TST

Gross investment income of the Greenbank Trust rose from £24,035 to £28,587 in the half year to

Encouraging start for Ansbacher

The change of name to Henry Ansbacher Holdings, and the capital reconstruction of Fraser Ansbacher were formally approved by shareholders at an extraordinary general meeting following the AGM held in London yesterday.

While the current inflow of funds is disappointing, Dunfermline hopes the Building Societies Association meeting this week will postpone any decision on increasing rates to borrowers for at least a month.

The Hill Samuel group announced yesterday that its initial offer for its new Special Situations unit trust, launched at the beginning of this month, has attracted more than £1m.

Rediffusion advertisement with starburst logo and text: 'Good Long-Term Outlook', 'The 51st Annual General Meeting of Rediffusion Limited will be held on 1st August at the Institute of Directors, Pall Mall, London, S.W.1. The following are highlights from the Review by the Chairman, Group Captain Hugh Dundas, C.B.E., D.S.O., D.F.C., D.L., which has been circulated with the Report and Accounts for the year ended 31st March 1979.'

ARROW CHEMICALS HOLDINGS LIMITED (Incorporated in England under the Companies Act 1948) SHARE CAPITAL: Authorised £1,725,000, Issued and fully paid £1,500,000. Ordinary shares of 25p each.

LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Extn. 266

20 MINING NEWS

Gold mine profits rise in June quarter

BY KENNETH MARSTON, MINING EDITOR

A GOOD start is made to the South African gold producers' June quarterly reporting season by the mines in the Consolidated Gold Fields group.

As usual, the most notable increases in net profits have been achieved by the lower gold grade, or marginal, mines.

already announced it is hoped to start trial milling towards the end of this year.

They are thus most indicative of the mine's true potential and better values may be announced for the current quarter when sampling is likely to be carried out from the No. 1 sub-vertical shaft which is nearing completion.

The latest quarterly net profits of the group mines are compared in the following table.

Table with 3 columns: Mine Name, June, March, Dec. Rows include Doornfontein, Kloof, East Driefontein, Venetia, West Driefontein.

North BH lifts its stake in EZ Industries

NORTH BROKEN HILL, the Melbourne mining and investment house, yesterday emerged as the largest single shareholder in EZ Industries with a 14.88 per cent stake following heavy trading on the Australian exchange.

at prices ranging between A\$5.50 and A\$3.60. The closing London price was 190p.

NBH's stake has been raised from 3.89m shares to 7.49m shares, a statement said.

Much of the trading would have been linked to the auction on the Melbourne exchange of a parcel of 2.49m EZ shares held by BH South, which has been divesting as part of a debt reduction programme, related to the failure of Queensland Theobalte.

But presumably, the auction was carefully planned. The links between NBH and BH South are already close.

The investment in EZ takes place alongside other value-adding investments including 12 per cent of Alcoa of Australia, 30 per cent of Broken Hill Associated Smelters and 30 per cent of Kambria Coal and Coke.

In London yesterday NBH shares were 93p and those of BH South were 87p.

BIDS AND DEALS

Dunlop in £1.2m agreed bid for Hawthorn Baker

BY CHRIS CAMERON-JONES

Dunlop, tyre producer, has made an agreed cash bid worth about £1.2m for Hawthorn Baker, printing equipment manufacturer.

The move derives from the announcement in March that two major Hawthorn shareholders, Mr. H. Colman, the chairman and managing director, and Mr. J. Thomas, a former joint managing director and now a non-executive director, wished to dispose of their equity in the company.

At that time the company was forecasting recovery from three years of losses to taxable profits of not less than £180,000.

Stated earnings reached 21.7 (1p) but in the context of the offer the directors have agreed with Dunlop not to pay a dividend.

After a tax charge of £56,000, against a credit of £20,174, net surplus was ahead from £3,281 to £141,302.

The industrial logic behind Parker Knoll's takeover of Raymakers supplies 10 per cent of the furnishing velvets used by PK, which amounts to 18 per cent of Raymaker's output.

Associates deal Baring Brothers and Company bought 25,000 ordinary shares in Gough Brothers on July 6 at 129p for Scottish and Newcastle Breweries.

KCA/MOBIL A contract between KCA International, the oil service and contracting group, and Mobil for development drilling in the North Sea on Mobil's Beryl Alpha platform has been extended by two years from the end of the current contract on December 31, 1979.

two further periods of one year each. If Mobil exercises all its options, the contract will continue until the end of 1983.

EDGAR ALLEN/AURORA Edgar Allen Balfour, which continues to oppose the £15m takeover bid from its fellow Sheffield special steels group Starac Holdings, yesterday added a qualification to its earlier £4m estimate of the worth of the company's Australian and New Zealand concerns.

It now says the estimate has been made on the basis that the companies are sold as independent entities and as a going concern in current market conditions by a willing seller to a willing buyer.

SCOTCROS Scotcros, the Glasgow packaging, food and transport equipment group, has disposed of its food distribution company, Elvestead Canned Meat, to Mr. Archie McGowan.

MOORWOOD Moorwood Vulcan, the Sheffield-based offshoot of the £40m Valor Gas group, has arranged an exclusive agreement to supply griddle plates to all McDonald's Restaurants in Britain and Europe.

DONALD MACPHERSON GROUP LIMITED. Extracts from Interim Statement. Turnover: 36,047. Pre-tax profits: 2,028. Earnings per share: 8.6p.

Ashton: mixture as before

THE LATEST quarterly progress report from Conzinc Riotinto of Australia's intriguing Ashton diamond prospect in Western Australia contains little in the way of exciting new diamond finds, but it does hold out the possibility of more interesting things to come later this year.

A preliminary expense valuation is to be carried out on two parcels of diamonds recovered from the bulk sampling, these being approximately 860 carats from pipe "A" (there are 142 carats to the ounce) and 1,200 carats from pipe "B".

The parcels are only about one-fifth the size normally required to indicate the likely average value of diamonds in a pipe. Consequently, CRA doubts if any meaningful valuation will be obtained from these parcels though it is hoped to report the results of the valuation within the next month or so.

However, the results will be interesting and in the meantime it is planned to continue to extract material for bulk processing later this year to produce larger parcels of diamonds for further valuation.

In scout sampling of seven pipes at the Ellendale area one stone of 1.33 carats has been recovered, being part of 91 diamonds with a total weight of 2,830 tonnes of material treated.

Of more interest, the use of larger diameter drills at Ellendale permits the extraction of kimberlite samples from depths as great as 150 metres. Only one deep hole has been drilled so far, but it encountered diamonds to a depth of 70 metres.

Otherwise, further processing has been done of surface material collected this year and last from pipes "A" and "B". Results

for the first two quarters of this year are Pipe "A", a total of 8,029 diamonds weighing in all 1,458 carats, recovered from 35,300 tonnes of material. The largest diamond was one of 6.47 carats.

In pipe "B", a 5.59 carat stone turned up, but here again the number of tiny diamonds, most of them so small that they would be unlikely to come into the gem classification, while the better sized stones are still smaller and far fewer than is desirable.

Ownership of Ashton is: CRA 56.8 per cent, Ashton Mining 24.2 per cent, AO (Australia) 4.9 per cent, Tanasit 9.1 per cent and Northern Mining 5 per cent.

Share prices of the listed partners were a few pence lower yesterday following the latest progress report with Ashton Mining 5 down at 55p.

MIM MAKING A ONE-FOR-FOUR SCRIP ISSUE

Australia's MIM Holdings is to make a one-for-four scrip issue to shareholders registered October 11. The issue will capitalise A\$35.7m (£18.2m) of assets revaluation reserve and will raise the company's issued capital by 71.47m shares to 357.37m shares.

The new shares will rank equally with the existing shares and will qualify for the final dividend to be declared for the year to June 30 last. MIM shares were 7p up at 17p yesterday.

case a share-split is proposed, breaking down each of its 50 cents fully paid shares into five shares of 10 cents fully paid. Holders will also be asked to approve an increase in the authorised capital to A\$3m from A\$2m.

Ayer Hitam's tin output

LOWER tin concentrate production for June is reported by the Eastern Malaysia Mining Corporation group. After the big jump in May, Ayer Hitam's production has fallen sharply in the past month, but the year's total comes out at a good 2,291 tonnes against 1,794 tonnes in 1977-78.

Among other mines to complete their financial years, Malaysian's total for the period amounts to 2,268 tonnes against 1,978 tonnes; and Fongkah, Harbours is 708 tonnes against 437 tonnes. For the first half of its year Trohoh has turned out 1,056 tonnes against 1,220 tonnes a year ago.

Table with 4 columns: Mine Name, June, May, April. Rows include Aokim, Ayer Hitam, Berjuntai, Kamunting, Kramat, Kuala Kampar, Lower Perak, Malayan, S. Kinta Cons, Sun, Sungai Besi, Tongkah Harb., Trohoh Mines.

MINING BRIEFS

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA: Coal production during June was 2,290,877 tonnes. MALAYSIAN TIN: Mining profit in the three months to June was £22,852, against £28,248 in the preceding three months.

Fredk. Parker slumps—reshaping

Taxable profit of Frederick Parker, the unquoted engineering concern, slumped by £2.32m to £818,000 in the first half of 1978/79. A capital reconstruction and the creation of a new holding company, called The Frederick Parker Group, is now planned.

It was following a major reconstruction in March 1977 that the group went public, with its shares quoted on a market created by M. J. H. Nightingale and Company.

The latest reshape is designed to strengthen the management and financial resources of the individual operating companies with a view to their development as independent profit centres.

The proposal is for the new group to acquire existing shares on one-for-one basis and the transfer of all subsidiaries to the holding company.

home more than offset by a slide in exports from £15.55m to £8.51m.

In addition to the general world recession the company was hit by the collapse of the Iranian market, some cancellations of orders from other markets and the industrial unrest during the winter.

Sales enquiries are now at a more lively level resulting in a higher order intake, and the chairman is hopeful of a better second half.

Mid-year profit this time benefited from the release of £250,000 provisions against the conditions in 1978/79. After a tax charge of £155,000 (£1.55m) the year's net profit was down from £1.59m to £393,000.

directors say there should be little difficulty in maintaining last year's dividend of 13 cents, even though second-half earnings, they say, are unlikely to show much improvement.

Wrighton rises to £491,000

TAXABLE PROFITS of F. Wrighton and Sons (Associated Companies), furniture maker, expanded from £306,000 to £491,000 in the year to March 31, 1979, on marginally higher turnover of £9.8m, against £8.61m.

At midway, the surplus picked up from a depressed £22,411 to £183,119, and the directors expected a satisfactory full year. Tax for the year took £290,000 (£192,000)—SSAP 15 on deferred tax has been adopted and comparisons restated. Earnings per 10p share are shown to have risen from 2.42p to 4.88p. The dividend is maintained at 1.063p.

Utd. British Securities

Net revenue of United British Securities Trust rose from £1.99m to £2.28m in the year to June 30, 1979, after tax of £1.41m, against £1.25m. Gross income was higher at £3.84m compared with £3.37m.

The second interim dividend of 3.7p lifts the net total to 5.1p (4.44p). Stated earnings are up from 4.44p to 5.1p.

CAUSTON RIGHTS 87.23% TAKEN UP

The recent rights issue by Sir Joseph Causton and Sons has been taken up in respect of 2,287,446 ordinary shares (87.23 per cent). The balance has sold in the market at 37p per share and the net proceeds, which amount to 0.71p per share, will be distributed to non-accepting shareholders on July 20.

East Midland Allied Press

At the annual meeting of East Midland Allied Press, Mr. F. Rogers, chairman, said that trading results so far this year were better than last year, showing a substantial improvement on last year.

Advertisement volumes and circulation sales for the company's newspapers and national magazines continued to improve. The cover price of the Northamptonshire Evening Telegraph had recently been increased from 5p to 10p.

Coates S.A. declines

Coates Bros. (South Africa), the 88.4 per cent owned printing ink producing subsidiary of Coates Bros. UK, announces a 4 per cent turnover decline from 37.4m to 35.8m in the six months to April 30, 1979.

Increased raw material costs in the wake of continuing petroleum price height led to a 26 per cent pre-tax profit drop from R\$73,000 to R\$47,000.

Results were also affected by last year's purchase of a 20 per cent stake in local lithographic plate manufacturer, Howson-Alphraphy.

INSURANCE BASE RATES

Table with 2 columns: Insurance Type, Rate. Rows include Vanbrugh Guaranteed (11%), Property Growth (11%).

halma

Pre-tax Profit + 34% Profit/share + 30% Dividends + 11%

Record results... strong cash flow and higher return on capital employed. Prospects of sustained growth and increasing profit.

Table with 4 columns: Year to 31st March, 1977, 1978, 1979. Rows include Sales turnover (£000s), Pre-tax profit (£000s), Pre-tax profit per share.

Halma Limited Safety and Environmental Control Specialised Engineering

WEEKS PETROLEUM LIMITED. Authorised US\$1,000,000. Convertible Preferred Ordinary Shares of US\$0.10 par value. Issued and fully paid US\$99,930.

UK COMPANY NEWS

Rediffusion sees some progress

Rediffusion should make some progress this year, but it is unlikely to be dramatic, says Mr. Hugh Dundas, the group's chairman. In his annual statement...

LASMO selling its oil on the spot market

London and Scottish Marine Oil, which has an 8 per cent share in the Ninian oil field, has cancelled plans to refine part of its production in the UK in favour of selling its crude oil on the spot market.

Reorganisation schedule at Northern Goldsmiths

Details of a reorganisation programme to be carried out by the Northern Goldsmiths Company are given by Mr. C. M. C. Rogers, the chairman, in his annual statement.

RESULTS AND ACCOUNTS IN BRIEF

CUTLER GUARD BRIDGE HOLDINGS (papermaking and conversion and printing) - Results for year ended March 31, 1979, already reported. Group fixed assets £12,800 (£12,800), net current assets £1.1m (£1.1m), net assets £13.9m (£13.9m). Meeting, 100, Old Broad Street, August 9 at 11.30 am.

Gold Fields Group

JUNE QUARTERLIES

DEELKRAAL GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

DOORFONTEIN GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

EAST DRIEFONTEIN GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

LIBAHON GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

WESTPOST GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

KLOOF GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

SHAFTSINKING

No. 2 Sub-Vertical Shaft: The shaft was sunk 44 metres to a depth of 1,008 metres below level. This shaft has been cut and supported. This shaft was planned to be sunk to serve 36 level, but it has now been decided to extend the current sinking programme to 42 level.

VLAKFONTEIN GOLD MINING COMPANY LIMITED

Table with 4 columns: Qtr. ended, Qtr. ended, Year ended, Total since inception. Rows include Operating Results, Financial Results, Development, and Capital Expenditure.

RESULTS AND ACCOUNTS IN BRIEF

ARTUR HOLDEN AND SONS (manufacture of lacquers, varnishes, etc.) - Results for year ended March 31, 1979, already reported. Group fixed assets £2,322m (£2,322m), net current assets £1,436m (£1,436m), net assets £3,758m (£3,758m).

NOTE

Copies may be obtained from the United Kingdom Registrar: Close Registrars Limited, 803, High Road, Leyton, London, E10 7AA

RESULTS AND ACCOUNTS IN BRIEF

REPAYMENT OF CAPITAL: No dividend was paid or declared during the quarter. In a circular dated 29 June 1979, members were informed that the reduction in the authorised and issued capital of the company from 20 cents per share to 20 cents per share was duly confirmed by the Supreme Court of South Africa and became effective on 15 June 1979.

NORTH AMERICAN NEWS

Ruling on Becton Dickinson deal

BY STEWART FLEMING IN NEW YORK

A FEDERAL judge has ruled that Sun Company and several investment bankers, including Salomon Brothers and Feberstad, violated takeover laws last year when they bought 34 per cent of Becton Dickinson through a private purchase of stock for around \$300m.

The ruling sets an important precedent for the conduct of tender offers and seems certain to be challenged. Salomon Brothers announced yesterday that it believes the findings are wrong so far as its involvement in the case is concerned, and that it will appeal the ruling.

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Dow Jones profits increase

By Our Financial Staff

DOW JONES, the major information and publishing group, announced an increase of 16.6 per cent to \$23.8m in earnings in the first half of the year, with share earnings showing a rise from \$1.33 to \$1.54.

The second quarter brought net earnings 18 per cent higher at \$13.1m, on sales increased by 21 per cent to \$107.7m.

This year's second quarter and six months net income include the operations of Essex County Newspapers, purchased in May this year, Book Digest, purchased in January 1979, and Asiland Publishing, purchased in April 1979.

Dow Jones reported that both revenues and earnings for the second quarter set new records for any quarter. A lower tax rate enhanced earnings by about 6 cents a share for the six months.

Mr. Warren H. Phillips, the chairman, attributed the second quarter improvement in revenues and earnings primarily to a 7.1 per cent increase in advertising lineage at the Wall Street Journal, an advertising lineage gain of 13.3 per cent at Barron's and improved earnings at Dow Jones' Ottawa Group.

IBM reviews trial strategy during anti-trust case recess

WASHINGTON — The trial of the Justice Department's 10-year-old anti-trust case against International Business Machines (IBM) has been recessed to allow the IBM Board to consider major changes in litigation strategy.

Judge David Edelstein, who is hearing the case in Federal District Court in New York, granted the company's request for a brief adjournment. The trial will not resume until July 19, and the IBM Board is expected to hold a special meeting before then to discuss the case.

Mrs. Carla Hills, a Washington attorney who is an IBM director, said this week that she and other directors were "very concerned about the amount of time this lawsuit has dragged on."

In particular, she and other directors were disturbed by Judge Edelstein's decision last month to grant the Government's demand that the company produce numerous additional documents in the case.

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both the company and the Justice Department. Successful settlement negotiations appear the least likely outcome at this point because both sides have invested so much time and money in the case. Thus, they are not likely to compromise on basic issues. Also, previous settlement negotiations have failed to produce results.

IBM's lead attorney, Mr. Thomas Barr, said he told Judge Edelstein that there were no current settlement negotiations under way with the Justice Department. But Mr. Barr would not discuss any of the options that might be considered by the IBM Board.

Mrs. Hills termed the IBM case a terrible drain on the company. She stressed that during the 10 years since the Government filed its case against IBM, the company had successfully defended several private anti-trust suits alleging similar charges of monopolizing the market for general-purpose computers.

Hamilton Brothers to sell oil properties

DENVER — Hamilton Brothers Petroleum Corporation and Carter Oil and Gas, of Vancouver, have announced an agreement in principle for Hamilton Brothers to sell its working interest in substantially all its Canadian producing oil and gas properties to Carter Oil for about C\$502m.

Hamilton Brothers will receive a down payment, and reserve a limited overriding royalty from the properties, payable over an estimated 12-year period.

The closing of the sale is subject to the completion of a satisfactory sale and purchase agreement, approval of Hamilton Brothers' Board, and the receipt by the parties of satisfactory tax rulings from both the Canadian and U.S. authorities.

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GAMBLING IN THE BAHAMAS

Stricter controls for casinos

BY NICKI KELLY IN NASSAU

NEW AND stricter controls over casino gambling in the Bahamas are to be introduced as a result of allegations that Resorts International, which operates two of the country's three casinos, used political contributions, gifts and cash payments to win a government extension of its licence to operate the Paradise Island casino.

The chairman of the Gaming Board, Mr. Perry Christie, has already announced that the proposed measures will include a ban on political contributions by casinos. More stringent regulations are necessary, he said, to preserve the integrity of gaming in the country.

Disclosure of the alleged pay-offs came earlier this year during hearings by the New Jersey Casino Commission on Resorts' application for a permanent Atlantic City casino licence.

Worried by the implications, the government received House of Assembly approval in June for the appointment of a legislative committee to investigate the extent to which Resorts' actions may have adversely affected the operation of its casinos, in Paradise and Freeport, Grand Bahama.

The committee's terms of reference also include taking whatever steps may be necessary to protect the public interest and preserve the dignity of the Commonwealth of the Bahamas.

According to the president of Resorts, Mr. I. G. "Jack" Davis, Mr. Probinsky said the "dialogue" he created between Resorts chairman, Mr. James Crosby, and the Prime Minister during 1973 and 1974 led to Resorts being awarded a ten-year management contract for the Paradise casino in 1977.

At the same time, the Government entered into a second ten year agreement with Resorts for the operation of the Freeport casino. Although favouring investigation of the Resorts' payments,

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reference also include taking whatever steps may be necessary to protect the public interest and preserve the dignity of the Commonwealth of the Bahamas.

gave \$26,000 in cash and gifts to Bahamian Customs and Immigration officials as a "goodwill" gesture. Bahamian officials were fully aware of what was happening, he said.

In another testimony, Mr. David Probinsky, an American public relations consultant and PLP strategist, said he received \$1m in stock and cash from Resorts for helping the company to gain renewal of its casino operating licence following nationalisation of the casinos in 1978.

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Earnings rise at Mellon National

By Our Financial Staff

FURTHER acceleration in earnings growth is reported in the second quarter by Mellon National Corporation, the parent company of Mellon Bank Operating.

The borrowing is by the A.P. Moller Group. The credit carries a spread arrangement of 1 and 1 per cent points over interbank rates. However, the borrower has the option to convert the transaction into a project financing, under which the spread is 1 per cent during the two years following the completion of the Gorm development and 1 per cent for the remainder of the life of the loan.

The credit was managed by Morgan Guaranty Trust Company, Andelsbanken, Bank of America, Citicredit, Lyonnais and Den Danske Bank, according to bankers.

The Venezuelan agricultural bank, Banco de Desarrollo Agropecuario, is currently arranging a one-year guaranteed credit facility. The spread is 5 per cent.

London and Continental Bankers Ltd. is the lead manager. Another one-year facility for Venezuela, the \$150m

Moller completes \$100m North Sea oil financing

BY JOHN EVANS

A \$100m, 10-year credit to finance the Gorm development in the Danish sector of the North Sea has just been completed.

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credit for the Instituto Nacional de Vivienda, is almost complete. This transaction at a 3 per cent margin, is lead managed by Credit Commercial de France.

In a credit marking the first Eurocredit financing from the Cameroon Republic in the past year, the Cameroon Sugar Company (Camsuco) is raising \$50m for 10 years at a spread throughout of 14 per cent.

The State-guaranteed loan which is being arranged by the Chase Merchant Banking Group, will be used to finance capital investment in sugar refineries and to refinance some outstanding loans.

The French agency, Caisse d'Amortissement pour l'Acier (CAPIA), which was set up to handle the debt servicing of French steel companies, has arranged an \$85m credit through an international group led by Citicredit Generale.

The ten-year facility carries a spread of 1 per cent for the first four years, rising to 1 thereafter.

The Australian Shipping Commission has arranged sale and charterback transactions for two 139,000 dwt bulk carriers.

The vessels are operating in the Australia-Japan iron ore trade. The transactions comprise the purchase of one vessel financed with a DM 100m credit arranged for Austracris Progress Finance Ltd. The second ship purchase was financed with a \$42m credit arranged for Austracris Prospector Finance Ltd.

Orion Bank was the agent in both loans, but did not give details.

Five Yugoslav state banks have completed a \$305m loan credit with a 20-month syndicate headed by Barclay's Bank International.

The loan, to refinance existing credit arrangements for more than 20 Yugoslav projects, carries a spread of 7 per cent. A short-term foreign borrowing by the Belgian Treasury have now risen to around 227.5bn (\$17bn). Treasury sources in Brussels said yesterday, Agencies report.

One recent transaction was by the state housingbuilding agency Societe Nationale de Logement, which has made a 10-year 84 per cent DM 300m private placement.

Gain at Beech Aircraft

By Our Financial Staff

BEECH AIRCRAFT Corporation has turned in net earnings for the first nine months of \$30.7m against \$26m last time, or \$2.58 against \$2.52 a share. Sales of \$481.9m compared with \$387.2m.

The third quarter saw earnings rise from \$9.5m to \$10.8m, or from 79 cents to 90 cents. At \$157.6m, sales increased from \$124.9m previously.

Bodcaw affirms merger plan

NEW YORK — Directors of Bodcaw have unanimously reaffirmed their May 7 decision to recommend approval of a merger proposal from International Paper.

The Bodcaw board's decision was made at a meeting held to consider International Paper's previously announced offer to acquire Bodcaw in the light of a proposed \$655m taxable bid offer involving Weyerhaeuser and Mobil Oil.

Cincinnati Milacron rise

By Our Financial Staff

THE MAJOR machine toolmaker Cincinnati Milacron reported net earnings for the first half year of \$23.0m against \$14.5m last time, with per share earnings at \$1.51 against 97 cents. Sales rose from \$152.1m to \$183.8m.

In the second quarter, net earnings increased from \$7.5m to \$12.2m, or from 67 cents to 82 cents a share. Sales of \$183.8m compared with \$152.1m.

NCNB advance

Net profit for NCNB Corporation rose to \$21.3m from \$13.8m for the first six months to June 30. Return reports from New York. Earnings per share after securities transactions were \$1.25 compared with 94 cents. NCNB's second quarter profits amounted to \$10.7m (\$8.3m).

UBS issues third convertible bond

BY FRANCIS GHIES

UBS (SECURITIES) is to manage for Union Bank of Switzerland (Panama) an issue of 100,000 convertible bonds, each with a face value of approximately \$1,150. Other terms of this issue include a coupon of 5 per cent on the face value ultimately selected, and a maturity of 10 years.

Each bond will be convertible into 15 non-voting bearer participation certificates of UBS from February 1, 1990, to maturity. The conversion premium will not be more than 5 per cent. This is the third convertible bond for Union Bank of Switzerland. Two previous ones, have been arranged, one in 1978, the other in 1977.

Meanwhile, a \$25m eight-year floating rate note for Sonatrach was launched in the Asian dollar market yesterday. Lead managers are Credit Lyonnais and Noraura Merchant Banking Limited. The borrower is paying a coupon of 1 per cent over the Singapore interbank rate for six-month dollars, with a minimum interest rate of 7 1/2 per cent.

The secondary market in dollar bonds was very quiet yesterday, with no real change in prices.

In the Deutsche-Mark sector, dealers also reported a low level of activity with most prices slightly easier on the day.

A SwFr 100m seven-year private placement for the Republic of Austria has been arranged by Kredietbank (Swiss). The borrower is paying a coupon of 4 1/2 per cent and has been priced at par. A SwFr 30m private placement for Autopistas de Navarra has been arranged by Union Bank of Switzerland. The borrower is paying a coupon of 5 1/2 per cent for six years with pricing at par. A SwFr 30m convertible for Unibank-Bank, completed by Union Bank of Switzerland, the borrower is paying a coupon of 4 1/2 per cent for five years with pricing at par.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR, STRAIGHTS, Issued, Bid, Offer, Change, Yield. Lists various international bonds like Alico Australia, Alcoa Australia, etc.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Change, Yield. Lists various international bonds like Nordf. I. 84, S. 84 SDR, etc.

CONVERTIBLE

Table with columns: Conv. date, Bid, Offer, Change, Yield. Lists convertible bonds like AGA Aarborg, etc.

SWISS FRANC

Table with columns: Issued, Bid, Offer, Change, Yield. Lists Swiss Franc bonds like Amer. Exp. Int. 81, etc.

YEN STRAIGHTS

Table with columns: Issued, Bid, Offer, Change, Yield. Lists Yen bonds like Amer. Exp. Int. 81, etc.

New York City prepares to test money market

NEW YORK — New York City will shortly face a significant test of its financial standing in the credit market.

The test, which may come as early as September, would involve an effort by New York to sell investors short-term notes backed by City real estate tax collections.

Early this year, New York successfully marketed \$275m in City notes to the public to get the cash it needed to operate until normal revenues arrived. But the notes were all issued against specific State payments due to the City, and they enjoyed extraordinary State protections.

A sale of notes backed by City taxes "will be perceived more as the City's own credit" than the State-backed notes, said Mr. Thomas de Rogatis, deputy City comptroller. He said New York is currently considering the sale of tax-anticipation notes in September or November.

The City hopes to meet its seasonal borrowing needs of about \$650m during fiscal 1980, which started on July 1, entirely by public sales of City notes, although it will maintain a back-up credit line with banks. The amount of tax-backed notes to be offered to investors "is totally dependent on the market reception," Mr. de Rogatis said, although he quoted the City's underwriters as saying New York could sell "anywhere from \$100m to \$150m" at a time.

Simpson-Sears progress

TORONTO — Simpson-Sears, the 50 per cent owned Canadian affiliate of Sears Roebuck and Co., expects "improved" first-half earnings this year and at least a 10 per cent sales increase for the full year.

Mr. John D. Taylor, the president, said. In the year earlier first-half, the Toronto-based company earned C\$7.1m, or 8 cents a share, which will be restated to reflect the company's change in its fiscal year from December 31 to the end of January. For the 56 weeks to January 31, sales totalled C\$2.54bn, up 21 per cent from C\$2.09bn the year before.

Mr. Taylor said that he "would not quarrel with" analysts' estimates of around 83 cents a share earnings in fiscal 1980, compared with 76 cents last year.

Advertisement for The Taiyo Kobe Bank, Ltd. featuring a logo and text: "U.S. \$20,000,000 The Taiyo Kobe Bank, Ltd. London Branch Floating Rate Certificates of Deposit due 1984"

Advertisement for Salomon Brothers International, featuring a logo and text: "Salomon Brothers International One Moorgate, London EC2R 6AB"

Advertisement for Simpson-Sears progress, including a logo and text: "Simpson-Sears progress TORONTO — Simpson-Sears, the 50 per cent owned Canadian affiliate of Sears Roebuck and Co., expects 'improved' first-half earnings this year and at least a 10 per cent sales increase for the full year."

Large advertisement for Moller completes \$100m North Sea oil financing, including a logo and text: "Moller completes \$100m North Sea oil financing BY JOHN EVANS A \$100m, 10-year credit to finance the Gorm development in the Danish sector of the North Sea has just been completed."

COMPANIES AND MARKETS INTNL. COMPANIES and FINANCE

Earnings upsurge at Adam Opel

BY GUY HAWTHORN IN FRANKFURT

ADAM OPEL increased net profits last year by 45 per cent to DM222m...

Waters said yesterday that a further DM 500m has been allocated for the construction of a new plant shop at its main works in Russelsheim.

However, 1978 once again saw Opel rebuilding its position in the West German luxury car market which has slipped as popularity of its ageing Diplomat and Admiral models waned.

During the year, Opel's workforce expanded by 3,227 to 62,977, while average monthly wages rose from DM 2,624 to DM 2,776.

Bosch sees faster sales growth

BY OUR FRANKFURT CORRESPONDENT

THE Robert Bosch group's expected world sales to rise by 10 per cent this year—double the rate achieved in 1978.

This year the group plans to invest some DM 600m of which 32 per cent will be devoted to fuel injection technology.

Speaking at the annual press conference, Dr. Sergio Orlandini, president, said there were doubts as to the impact of higher energy prices on public purchasing power.

Fuel costs to hit KLM

By Michael van Ots

KLM ROYAL DUTCH airlines felt unable to give an indication of expected profits for this year owing to uncertainties caused by the development on the energy scene.

Good year forecast by BMW

By Our Financial Staff

SHAREHOLDERS OF BMW, the West German high performance car maker, can look forward to another successful year.

Standa plans rights issue to fund reorganisation

BY RUPERT CORNWELL IN ROME

STANDA, the leading Italian stone group controlled by the Montedison chemicals concern, is planning a capital increase of L1,500m.

But it is also a key part of the Standa investment programme of L500m to L600m over the next few years.

Sharp advance at Viohalco

By Our Athens Correspondent

SHARPLY higher profits and dividends are announced by Viohalco SA, the Greek industrial holding company.

BHF Bank loans increase

BY OUR FRANKFURT CORRESPONDENT

BERLINER HANDELS- und Frankfurter Bank, better known as BHF Bank, has reported substantially increased credit demand from both foreign and domestic customers.

Babcock Fives boosted by exports

By Terry Dodsworth in Paris

GROUP PRE-TAX profit at Babcock Fives, the diversified French industrial plant and engineering group, rose last year to FF 160.5m.

PUK REORGANISATION

Facing up to industrial surgery

BY TERRY DODSWORTH IN PARIS

GRADUALLY, it is becoming clear that Pechiney-Ugine-Kuhlmann, one of the dominant conglomerates of French heavy industry, is pushing through an extremely wide-ranging reorganisation.

rationalisation deals in other sectors where it feels that economies of scale can be achieved. These include, for example, plastic tubes, in which it is agreed to take over some Saint-Gobain-Pont-a-Mousson factories, while ending some of the shares.

depend on PUK's biggest problem area—steel. The group is estimated to be France's second largest special steels manufacturer, and is unquestionably one of the leading loss-makers.

These factors include the willingness of other companies to take over or merge with the Ugine Steels interests and the so far unresolved central government policy on a general reorganisation of the special steel companies.

BREDA FERROVIARIA

Partecipazioni e Finanziamento Costruzioni Ferroviarie S.p.A.

U.S. \$75,000,000 Five Year Floating Rate Loan

Guaranteed by

EFIM

Ente Partecipazioni e Finanziamento Industria Manifatturiera

Underwritten & Managed by

SODITIC S.A.

BANQUE INTERNATIONALE A LUXEMBOURG S.A.

BAYERISCHE VEREINSBANK INTERNATIONAL S.A.

INTERNATIONAL COMMERCIAL BANK LTD

LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A.

TRADE DEVELOPMENT BANK, LONDON BRANCH

Co-managed by

AL-UBAF Group

TURIS A.G.

Funds provided by

BANCO DI ROMA (LONDON BRANCH)

In association with

- AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD BANK OF NEW SOUTH WALES BANK OF NEW ZEALAND BANK OF SCOTLAND BANQUE COMMERCIALE POUR L'EUROPE DU NORD (EUROBANK) BAYERISCHE VEREINSBANK INTERNATIONAL S.A. CLYDESDALE BANK LTD CREDIT COMMERCIAL INTERNATIONAL COMMERCIAL BANK LTD LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A. NAGRAFIN BANK LTD PHIBORANK AG SLAVENBURG OVERSEAS BANKING CORPORATION TAIYO KOBE BANK LTD TURIS AG UNION DE BANQUES ARABES ET FRANÇAISES U.B.A.F.

- BANCO DI ROMA (London Branch) BANK OF NEW ZEALAND BANK OF SCOTLAND BANQUE INTERNATIONALE A LUXEMBOURG S.A. CHRISTIANIA BANK CO-KREDITKASSE INTERNATIONAL S.A. CO-OPERATIVE BANK LTD CREDIT INDUSTRIEL & COMMERCIAL KANSALLIS INTERNATIONAL BANK S.A. MIDLAND & INTERNATIONAL BANK LTD NORTHLAND BANK THE ROYAL BANK OF SCOTLAND LTD SODITIC S.A. TRADE DEVELOPMENT BANK (London Branch) U.B.A.F. ARAB ITALIAN BANK S.p.A. UNION MEDITERRANÉENNE DE BANQUE.

Agent Bank

BAYERISCHE VEREINSBANK INTERNATIONAL S.A.

June 1979

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland and does not constitute an invitation to subscribe for or purchase any Securities.

U.S. \$100,000,000

Continental Group Overseas Finance N.V.

(Incorporated with limited liability in the Netherlands Antilles) 9% Guaranteed Notes due July 1, 1986 Issued at 100% and Accrued Interest from July 1, 1979

Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by

The Continental Group, Inc.

Underwritten and Managed by

- Goldman Sachs International Corp. Lazard Frères & Co. Amsterdam-Rotterdam Bank N.V. Citicorp International Bank Limited Crédit Lyonnais Credit Suisse First Boston Limited Deutsche Bank Aktiengesellschaft Morgan Grenfell & Co. Limited Orion Bank Limited Société Générale de Banque S.A.

The Guaranteed Notes due July 1, 1986 of U.S. \$1,000 each, have been admitted to the Official List of The Stock Exchange, subject only to the issue of the Notes. Interest is payable on each Note annually on July 1, the first payment being made on July 1, 1980.

July 11, 1979

U.S. \$35,000,000

Texas International Airlines Capital N.V. Guaranteed Floating Rate Notes Due 1986



Texas International Airlines, Inc.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period from 11th July, 1979 to 10th October, 1979 has been fixed at 11 3/4% per annum.

The interest payment date will be 11th October, 1979. Payment, which will amount to U.S. \$295.49 per Note, will be made against the relative coupon.

J. Henry Schroder Wagg & Co. Limited Reference Agent

Notice

U.S. \$75,000,000

IC Industries Finance Corporation N.V.

Guaranteed Floating Rate Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the initial interest period from July 11, 1979 to January 15, 1980 the Notes will carry an interest rate of 11 3/4% per annum. The interest payable on the relevant interest payment date, January 15, 1980, against Coupon No. 1 will be US \$58.10.

By: The Chase Manhattan Bank, National Association, New York

Fiscal Agent

INTNTL. COMPANIES and FINANCE

This announcement appears as a matter of record only

United Republic of Cameroon

acting by
The Minister of Economic Affairs and Planning
and
The Minister of Finance

U.S. \$35,591,000
Medium Term Loans
to provide finance for a contract between
The United Republic of Cameroon
and
Plessey Radar Limited
in relation to the modernisation and extension
of Garoua International Airport, Cameroon

U.S. \$30,252,000
Dollar Buyer Credit
provided by
Manufacturers Hanover Trust Company
with the payment and funding guarantee of
Export Credits Guarantee Department
managed by
Manufacturers Hanover Export Finance Limited

U.S. \$5,339,000
Eurodollar Loan
provided by
Manufacturers Hanover Trust Company
arranged by
Manufacturers Hanover Export Finance Limited

June 1979

Companies and Markets

Brighter picture at SA steel companies

By Jim Jones in Johannesburg

WHILE MANY South African industrial companies are taking a hard look at the implications for them of a world-wide recession, some sectors are reasonably confident.

Attributable profits of Highveld Steel and Vanadium increased by 27.5 per cent to R12.48m in the six months to end 1978 on turnover up by 53.5 per cent to R120.93m. In the year to June 1978, attributable profits were 1.3 per cent higher at R21.01m and turnover was 19.75 per cent higher at R172.95m.

This is especially true of the Johannesburg Stock Exchange quoted steel companies, who were hit by the slowdown in capital spending throughout the economy which started two to three years ago. Since the start of this year, the picture has improved beyond recognition, and with the latest 12.3 per cent, controlled steel price increase announced last week, there are few steel company chairmen with long faces.

Compared with the corresponding period last year, steel production rose 14.2 per cent during the first five months of 1979, while pig iron production—admittedly from a low base—was 23.9 per cent ahead in the first four months.

If anything, private sector steel production has been better than the national average. Private sector output of steel castings during the first four months was 15 per cent ahead, while non-ferrous castings output advanced 28.4 per cent.

Taxed profits of The Union Steel Corporation expanded by 233 per cent to R3.6m for the year to December 1978 on turnover up by 8.97 per cent to R137.3m.

But how do the major private sector producers see the near-term? Mr. Les Boyd, managing director of Highveld Steel and Vanadium, feels that demand for his company's products is such that the latest price increase will not hurt turnover.

Highveld exports remain buoyant, at an annual figure of around 240,000 tonnes, mainly structural sections, plate and semis. Rising production and transport costs have eaten into earnings, but there should be little difficulty in exceeding the R12.5m (\$14.5m) attributable earnings reported for the six months to December 31. And it is felt in Johannesburg that earnings per share are 40 cents with a total dividend increased from 16 cents in 1978 to 19 cents for the year to end-June, 1979, are possible.

The Dunsward chairman, Mr. George Clark, agrees with Mr. Boyd as to the effect of the R30 per tonne price increase on turnover.

Dunsward is nearing completion of a major modernisation programme at its production facilities, after inadequate replacement programmes had left the company an inefficient producer, plagued by having plant out of action. As a result, Dunsward has paid no dividends since 1976 when 20 cents was declared from earnings per share of 47.5 cents. Now with tighter management control and a tapering off of the heavy capital expenditure programme, Johannesburg analysts calculate that the company should report earnings of 20 cents and pay a dividend of 7 cents.

At Dunsward Steel net income before extraordinary items advanced from R14,000 to R496,000 in the year to end 1978 on turnover ahead by 40.9 per cent.

Union Steel Corporation (USCO), was hard hit by the recession, which coincided with completion of work on the national electricity grid, and is less happy. Mr. Jan de Waal, the managing director, feels that the price increase merely compensates for intervening cost increases, but makes no allowance for the recent 10 per cent wage rise granted to black employees.

The view in Johannesburg is that USCO's earnings per share could recover to 20 cents this year, to equal the 1976 figure, and after having been 4 cents in 1977 and 13.1 cents in 1978.

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of June 30th, 1979 U.S.\$13.95

Listed Luxembourg Stock Exchange
Banque Générale du Luxembourg
Investment Bankers
Manila Pacific Securities, SA

Sun Hung Kai Finance seeks separate listing

BY ANTHONY ROWLEY IN HONG KONG

SUN HUNG KAI Securities, the biggest securities house in Hong Kong, headed by Mr. Fung King-Hey, is to split its financing arm, Sun Hung Kai Finance, into a separately quoted company.

This development has been rumoured on the local stock markets in recent weeks, although some analysts saw its timing as odd in view of the fact that SHK Finance was subject to a severe run on its deposits late last year, after stockmarket rumours that the securities side had been hit by heavy dealing losses.

Those rumours were denied in statements by the company and by the authorities here and a number of banks—including the Hongkong and Shanghai Banking Corporation, the Bank of China and the French group, Paribas—extended support lines to the finance company. Since then, SHK Finance has recovered from the run on its deposits.

Under proposals to be put to shareholders, SHK Finance will acquire from SHK Securities the company's merchant banking and insurance interests. The securities commodities and gold broking and property plus trading interests will continue under the SHK Securities group.

SHK Securities said that while the business of the two groups were complementary they were different in character, and that they could best be developed by operating independently. They would continue to cooperate closely, however.

The reorganisation will be effected through a scheme of arrangement under which the entire issued share capital of SHK Finance will be distributed to present SHK Securities shareholders. This will involve a reduction in capital for SHK Securities. It is planned to list SHK Finance's shares on the local stock exchanges by way of an introduction, and SHK Securities will maintain its current listing.

"There is an outstanding option arrangement with Compagnie Financière de Paris et des Pays-Bas (Paribas), whereby Paribas could increase its present shareholding to 17 per cent in SHK Securities to 25 per cent," SHK Securities said.

While Paribas would be prepared to exercise this option, SHK Securities and Paribas consider that it would be more desirable if Paribas were to concentrate its commitment in the finance group in lieu of exercising its option.

"Accordingly, Paribas has agreed to subscribe for cash additional new shares of HK\$1 each to be issued by SHK Finance at a price which is expected to be HK\$1.89 per share so as to increase its shareholding to 30 per cent of the enlarged issued share capital of SHK Finance. Paribas will retain its 17 per cent shareholding in SHK Securities."

Proposals for the reorganisation will be submitted to shareholders "towards the end of the year," said Mr. Assad Samaan el Assaad, the bank chief executive.

National Bank of Abu Dhabi profit halved

By Kathleen Bishawi in Abu Dhabi

THE PROFITS of the largest bank in the United Arab Emirates, the National Bank of Abu Dhabi, have fallen to 50 per cent of the previous level, the bank revealed this week.

Net profits after overheads and taxation have gone from a 1977 level of Dh 83m to a total of only Dh 44m (\$11.8m). At the same time, the bank balance sheet shrank from Dh 14,940m to Dh 13,950m.

Behind the falls it is said were the devaluations of the U.S. dollar against the U.A.E. dirham. "We are witnessing the same phenomena as in Swiss and German banks here undergone," said Mr. Assad Samaan el Assaad, the bank chief executive.

Stake in Metkor to be reduced by Iscor

BY OUR JOHANNESBURG CORRESPONDENT

METKOR INVESTMENTS has announced details of a R20.2m (\$23.93m) preference share issue here in a move as a preliminary to South Africa's state-owned enterprises divesting themselves of private sector assets.

Metkor, in which the state-owned steel producer Iscor has a 74.5 per cent beneficial holding, is offering 40.4m newly created 10.5 per cent cumulative convertible non-redeemable preference shares at 50 cents each in the ratio of 70 preference shares to every 100 ordinary shares held. But as Iscor does not intend taking up its rights under the offer, the underwriter, Volkskas Merchant Bank will absorb Iscor's entitlement.

Metkor is a holding company with diverse interests in the steel and construction industries. These include a 45.1 per cent stake in steel products co-owner, Alcor, in exchange for the steel producer Union Steel; 20.9 per cent of the engineering group, Dorbyl, and, indirectly, 19.4 per cent of Stewarts and Lloyds of South Africa.

The new preference shares may be converted to ordinary shares at the option of holders on a one-for-one basis if for two consecutive years aggregate ordinary dividends are less than those paid on the preference shares by 1982.

Volkskas Merchant Bank could elect to convert the preference shares it takes up and would need to buy fewer than 1m ordinary shares in the market to gain control from Iscor.

The view here is that by that time a bid for the outstanding Metkor ordinary shares held by Iscor could be made by Volkskas. By this means the criticism levelled in the past at Iscor of preferring certain sectoral interests in attempting to dispose of its assets, may be avoided.

Concurrent with the preference share issue, Metkor is seeking its shareholders' approval to acquire from Iscor 50 per cent of the shares in the waste oxygen and nitrogen producer, Alcor, in exchange for the transfer to Iscor of 10.9m shares in South African Manganesse, the producer of manganese and iron ores and ferro alloys. This, in its turn has been seen as a preliminary to disposal of Iscor's existing 40 per cent stake in South African Manganesse to the private sector.

HK Land in Sydney deal

BY OUR HONG KONG CORRESPONDENT

HONGKONG LAND has completed negotiations for its food retailing arm, the Dairy Farm Ice and Cold Storage Co., to acquire one of Australia's major supermarket chains, Franklin Stores Pty. of Sydney.

The Franklin group operates 78 stores in the Sydney metropolitan area, with an annual cash turnover of approximately HK\$ 1.65bn (U.S.\$ 322.27m).

The acquisition will take effect in August of this year.

Commenting on the purchase, Mr. Trevor Bedford, executive director and general manager of the Hongkong Land group, said "the acquisition of the Franklin business will add substantially to the already solid and profitable operating base of Australian Dairy Farm Limited, and it will also make a useful contribution to the earnings of the Hongkong Land group."

Sumitomo Mutual in Hong Kong

TOKYO — Sumitomo Mutual Life Insurance Company, a leader in the field in Japan, will open a representative office in Hong Kong early next month.


The company said that the office will gather information on money markets in south-east Asia. It is sending a representative from Japan but is hoping to expand the office as a situation requires.

The office is the first Japanese life insurance company to open in Hong Kong. Sumitomo already maintains an office in London and New York. AP-DJ

U.S. \$100,000,000


NATIONAL WESTMINSTER BANK LIMITED

Floating Rate Capital Notes 1994



In accordance with the provisions of the Notes notice hereby given that for the three months interest period from 11th July, 1979 to 11th October, 1979 the Notes will carry an Interest Rate of 11% per annum. The interest payable on the relevant interest payment date, 11th October, 1979 against Coupon No. 1 will be U.S. \$28.11.

By Morgan Guaranty Trust Company of New York, London, Agent Bank



CREDIT COMMERCIAL DE FRANCE

U.S. \$30,000,000 Floating Rate Notes 1976-1983

For the six months 11th July, 1979 to 11th January, 1980 the Notes will carry an interest rate of 11 1/4% per annum.

Listed on the Luxembourg Stock Exchange
By: Morgan Guaranty Trust Company of New York, London Agent Bank

PAN-HOLDING S.A. LUXEMBOURG

Pursuing its rising trend of 1978, the Unconsolidated Net Asset Value, as of June 30, 1979, amounted to US\$148.75 per share of \$10 par value, showing an increase of 14.11 per cent since December 31, 1978, and of 34.41 per cent since December 31, 1977.

This value was before payment on July 2, 1979, of a dividend of \$2.60 per share.


The Consolidated Net Asset value per share amounted as of June 30, 1979, to US\$169.39.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD
45 Cornhill, London EC3V 3PB. Tel: 01-623 6314.

Index Guide as at July 5, 1979

Capital Fixed Interest Portfolio	118.75
Income Fixed Interest Portfolio	105.00

This announcement appears as a matter of record only



The Taiyo Kobe Bank Limited

US \$20,000,000

Floating Rate
Certificates of Deposit
Due June 16th, 1982

Managed by
Bank of America International Limited

Co-managed by
Crédit Lyonnais
DG BANK
Deutsche Genossenschaftsbank
Scandinavian Bank Limited
Société Générale de Banque S.A.

June 1979

TONGAAT COROGROUP LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 46

Notice is hereby given that at the Annual General Meeting of the Company held on the 10th July, 1979, Final Dividend No. 46 of 5 cents per share, as recommended by Directors, was declared payable on the 24th August, 1979, to Shareholders registered at the close of business on 27th July, 1979. Payments from the United Kingdom transfer office of the Company will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on the 15th August, 1979.

South African non-resident Shareholders' tax at the rate of 15% and United Kingdom tax will be deducted from dividends where applicable.

By order of the Board,
H. M. NIELSON,
Secretary.

Durban.
10th July, 1979.

Transfer Secretaries:
Central Registrars Limited,
28 Harrison Street,
Johannesburg 2001.

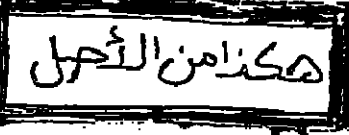
U.K. Transfer Office:
Oakfield Registrars Limited,
Granby House,
95 Southwark Street,
London SE1 0JA.

amro bank for international finance, foreign exchange and business development services

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Branches, subsidiaries or affiliates in every major world financial centre



WORLD STOCK MARKETS

Wall St. active but off 2.6 on profit-taking

INVESTMENT DOLLAR... 26.80 to 27.10 (26.1%) Effective \$2,225.95 (7%) WITH PROFIT-TAKERS holding the upper hand in another very active trade, Wall Street made an easier showing yesterday, following its recent advance on hopes of strong measures from President Carter to combat the energy problem.

Canada Stocks mainly plotted a downward path in further active trading, with the Toronto Composite Index declining 6.1 to 1580.2.

The Oil and Gas Index retreated 35.9 to 2771.6 and Golds 43.1 to 1844.1. In Montreal, Utilities lost 1.31 to 232.95 and Papers 1.39 to 170.16, but Banks gained 1.41 to 308.57.

Tokyo In the face of an increasing possibility of an Official Discount Rate increase and a Government report showing a further rise in wholesale prices, the Tokyo stock market, with the exception of energy-related issues, retreated sharply over a wide front in fairly active trading.

Paris Apart from a downturn in the Oil sector on profit-taking following the substantial gains of the past few weeks, the market mainly put on a good performance yesterday in relation to active trading. The Bourse Industrielle index rose 1.4 to 86.5. Brokers cited a report that French Premier Raymond Barre is negotiating an increase in

supplies of crude oil from Iraq during his three-day official visit to Baghdad. Also, boosting sentiment was the belief expressed in the latest bulletin of the Employer's Association that there is no risk of a "real" recession affecting the Western industrialized nations.

The Pharmaceutical concern Institut Merieux, which had been withdrawn from trading for the past two sessions because of excessive buying orders, was finally quoted at FF 638, up 17 per cent. Brokers said rumors of a merger with the Pasteur Foundation had sparked off the speculation.

Germany Share prices generally continued to ease, with buyers reluctant to increase positions before they know whether the Bundesbank will succeed in raising the Official Discount Rate at the Central Bank Council meeting tomorrow. The Commerzbank index receded 6.3 more to 738.7.

Australia Markets remained unreluctant, although profit-taking caused some stocks to decline. Market leader BHP, ASX40, regained 10 cents to 335, its recent good rise, while OZ had 3 cents to ASX40.

Indices

NEW YORK - DOW JONES Table with columns for Date, High, Low, and various index values.

STANDARD AND POORS Table with columns for Date, High, Low, and various index values.

MONTEAL Table with columns for Date, High, Low, and various index values.

TOBENCO Table with columns for Date, High, Low, and various index values.

JOHANNESBURG Table with columns for Date, High, Low, and various index values.

TUESDAY'S ACTIVE STOCKS Table listing various stocks and their prices.

OSLO Table with columns for Date, High, Low, and various index values.

JOHANNESBURG Table with columns for Date, High, Low, and various index values.

PARIS Table with columns for Date, High, Low, and various index values.

SWITZERLAND Table with columns for Date, High, Low, and various index values.

MILAN Table with columns for Date, High, Low, and various index values.

VIENNA Table with columns for Date, High, Low, and various index values.

BRASIL Table with columns for Date, High, Low, and various index values.

NEW YORK Stock market listing with columns for Stock, July 9, July 10, and July 9.

CANADA Stock market listing with columns for Stock, July 9, July 10, and July 9.

GERMANY Stock market listing with columns for Stock, July 9, July 10, and July 9.

TOKYO Stock market listing with columns for Stock, July 9, July 10, and July 9.

AMSTERDAM Stock market listing with columns for Stock, July 9, July 10, and July 9.

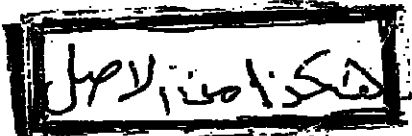
COPENHAGEN Stock market listing with columns for Stock, July 9, July 10, and July 9.

VIENNA Stock market listing with columns for Stock, July 9, July 10, and July 9.

EUROPEAN OPTIONS EXCHANGE Table with columns for Series, Vol., Last, and Stock.

BASE LENDING RATES Table listing various banks and their lending rates.

Advertisement for 'Hakman' (هكمان) featuring a large stylized logo and text.



Spot silver hits peak dollar price

SPOT SILVER prices were fixed at over \$8 an ounce on the London market for the first time ever yesterday morning. The spot quotation was raised to 80.20 cents, up from \$80.20 previously, following a sharp rise in the U.S. market overnight.

Low stocks a boost to wool prices

VICTORIA—Low wool stocks in Australia and other wool-growing countries should mitigate the effects of any easing of prices caused by world recession in the 1979/80 season, Mr. Alf Maiden, Australian Wool Corporation chairman said here yesterday.

Fresh doubts on Soviet harvest

SOVIET GRAIN production this year may be at the lower end of the range forecast by the U.S. Department of Agriculture, according to a Government inspection team just back from a tour of the main cereal areas of the USSR.

Antimony producer ends price quotes

ANZON announced yesterday it had decided to stop publishing official prices for its antimony products, with immediate effect. The company claimed there was no sinister reason for the move, but it was a sign of a sliding operation to bring its antimony pricing in line with its other main sales of zircon, where no official prices are quoted.

Whaling ban wins new support

THE TECHNICAL committee of the International Whaling Commission yesterday approved a ban on all commercial whaling in the Indian Ocean for the next 10 years. The committee's recommendation, passed by a vote of 14 to four with five abstentions, now goes to the IWC's plenary meeting for approval and possible adoption.

Tapioca imports

WIESBADEN—West German imports of tapioca and similar root products rose to 787,096 tonnes in the first five months of this year from 533,484 tonnes a year ago.

TIN AGREEMENT Price rise battle threatens

SEVEN TIN producing nations, accounting for 83 per cent of world production, assembled in Jakarta this week to work out a common stand on prices and other issues in debate with consumers. The seven countries have a theory that the greater power than the oil producers cartel, OPEC, but this first ever meeting at ministerial level of the tin producing countries is not about to set up a comparable cartel.

'Outsiders no threat' to yeomen farmers

THE Northfield Committee was set an impossible task—to investigate UK farm land ownership—as Mr. John Silkin, then Minister of Agriculture, responded to farmers' complaints that the British land was being increasingly purchased by financial institutions and foreigners to the exclusion of British yeomen.

BRITISH COMMODITY MARKETS BASE METALS COPPER... ZINC... NICKEL... SILVER... COCAOA... WHEAT... BARLEY... COFFEE... SOYABEAN MEAL... RUBBER... PRICE CHANGES... AMERICAN MARKETS... THE CHICAGO grain market...

BRITISH COMMODITY MARKETS COPPER... ZINC... NICKEL... SILVER... COCAOA... WHEAT... BARLEY... COFFEE... SOYABEAN MEAL... RUBBER... PRICE CHANGES... AMERICAN MARKETS... THE CHICAGO grain market...

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ARE YOU MAKING MONEY IN COFFEE? Clients receiving the Commodity Trading Recommendation service (CTR's) first bought Coffee in February, and prices have risen up to 50% higher since then.

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ROLFE & NOLAN COMPUTER SERVICES LIMITED We provide commodity accounting services for more than 30 companies in the U.K. and Europe.

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LONDON STOCK EXCHANGE

Companies and Markets

Grim banking statistics fail to stall recovery in Gilts and equities - EMI and GEC outstanding features

Account Dealing Dates

Option
*First Declara- Last Account
Dealings Dealing Day
July 2 July 12 July 13 July 24
July 16 July 26 July 27 Aug. 7
July 30 Aug. 9 Aug. 10 Aug. 21

Now time dealings may take place from 9.30 am two business days

A better feeling developed early yesterday with stock markets fairly confident that a bad set of June banking statistics, distorted partly by increased lending to accommodate pre-budget spending spree, had been discounted. Later confirmation that bank advances had indeed risen sharply, thus justifying the Government's recent clamp-down on credit, and of the increase in clearing bank eligible liabilities was taken quite calmly.

Leading shares consolidated on the earlier recovery, which was entirely technical and followed considerable investment and speculative support for EMI and GEC. The former rose 11 to 116p stimulated by the deal whereby Paramount Pictures will acquire a half-share in EMI's music operations for 270m, while GEC up 7 to 355p, responded to the possibility of the company gaining some of the £150m nuclear generator contracts which are in the offing.

lashed sizeable gains including the engineering leaders, but ICI were held in check by further sales of employees' shares at 2.5 up at 10 am. The index made further steady progress and settled at the day's best with a rise of 7.0 to 473.7. The main body of secondary stocks, however, were untested and recorded minimal movements in either direction.

STERLING'S renewed strength took some while to percolate through to Government stocks but buyers eventually began nibbling and quotations edged forward, led by medium-dated issues. The announcement later of the banking statistics brought a slight retreat, usually of 1 in all sectors, before most of the losses were regained in trade after the official close of business. Treasury 12 per cent 1984, on which the final call of £47.50 per cent is due today, rallied 1 to 51 1/2, along with Exchange, 13 1/2 per cent 1987, at 103 1/2.

Rates for investment currency continued to recover despite yesterday's good revival in the pound. Trade was again brisk although it was inhibited on occasions by the reluctance of sellers and the premium rose to 28 per cent before settling a net 1 1/2 points higher at 27 1/2 per cent. Yesterday's SE conversion factor was 0.9198 (0.9358).

options resulted in a total of 795 contracts being completed as compared with the previous day's 268. Shell attracted a lively trade, recording 243 deals, while interest was also shown in Imperial, 112, and EMI, 118.

Barclays better

The major clearing banks regained some composure after the previous day's dullness. Publicity given to a brokers' circular helped Barclays pick up 5 to 468p, while Lloyds and NatWest rallied 2 apiece to 353p and 363p respectively.

Narrowly mixed movements were the order of the day in insurance after a quiet trade. General Accident edged forward 3 to 214p but Royals eased 3 to 340p.

80p immediately in front of the announcement, Status Discount reacted on publication of the first-half figures which, although nearly 40 per cent up, failed to match best expectations and closed 5 down on balance at 73p. Elsewhere in Stores, W. Goodkind, firm recently following details of a large (29.9 per cent) shareholding changing hands, attracted fresh speculative interest and rose 5 more to 62p. Publicity given to a broker's circular helped UDS harden a penny to 95p, while newspaper comment helped Marks and Spencer put on 2 to 113p.

News that Paramount Pictures is to acquire a 50 per cent stake in EMI's musical interests for £70m created a considerable amount of activity in the latter which advanced to 116p before reacting to 110p and improving off to close at 116p for a rise of 11 on the day. Among the other electrical leaders, GEC were also a lively and firm market at 355p, up 7, on the prospect of receiving the contract for the Tornesa AGR's turbines from the South of Scotland Electricity Board. Elsewhere, late support lifted Decca "A" 8 to 301p, while Eoerthera, down to 340p at one stage, rallied following the interim figures to close without alteration at 360p.

The engineering leaders staged a useful revival despite a fairly low level of trade. John Brown took a turn for the better with an improvement of 10 to 483p, while Hawker Siddeley were also noteworthy at 152p, up 2. GRN, up 2 to 277p and sub which edged up 4 to 350p. Elsewhere, Howard Machinery came to life with a rise of 5 to 31p; last year the interim results were announced on July 25. Wolsley-Hughes advanced 5p to 145p, up 8, while NEI firm 2 to 64p in hopes that the company will participate in the £150m contracts for nuclear power generators expected to be announced soon. By way of contrast, Acropex, a new fresh selling and gave up 5 to 59p. Most leading Foods tended to firm in an improved business. Tate and Lyle fared best at 136p, up 4, while J. Sainsbury hardened 2 to 335p and Associated Dairies added 4 to 257p. On the other hand, Rowntree Mackintosh remained sensitive to sporadic offerings and eased 2 more to 165p. An investment recommendation prompted a gain of 2 to 78p in Associated Biscuits, while Barker and Dobson firm 2 to 22p in response to the annual results and capital proposals. A couple of pence easier

Initially on renewed uncertainty about the court case which resumes today on some of its casino licences, Ladbrokes subsequently rallied to 183p for a gain of 3 on balance. Takeover prospects stimulated further demand for Prince of Wales Hotels which added 6 for a two-day gain of 11 to 108p.

Fairhairn Lawson dull

Apart from Turner and Newson which softened 2 further to 130p, the miscellaneous industrial leaders staged a modest rally on technical influences. Ahead of next Monday's interim results, Rank Organisation improved 5 to 220p, while Unilever picked up 4 to 123p and Glaxo hardened 2 to 442p, after much-troubled Fairhairn-Lawson remained in the doldrums, falling 3 to 29p on the board's disclosure that it is still not in a position to assess fully the financial position of the subsidiary which was estimated in May to have incurred losses of just over £1m, and that publication of the 1978 annual report has been postponed for another 6 weeks. Lilliputite A, which returned to the market on Monday following the agreed bid terms from W. L. Pawsen, encountered profit-taking and closed 6 off at 90p. The other hand, rose 4 to 43p following favourable comment and Neil and Spencer firm 4 like amount to 224p in response to the sharply higher interim profits and proposed 100 per cent scrip-issue. Donald Macpherson, 101p and Philip Harris, 125p, improved a penny and 2 respectively after trading statements, while Alpine Holdings rose 4 to 120p, up 4. R. Z. Cole closed similarly better at 134p, while Marlow Industries gained 3 to 63p, the latter on the results and 1-for-2 scrip issue.

Aided by reports of increased tourist spending, Grand Metropolitan improved 3 to 145p. Speculative interest in this market prompted a gain of 16 to 183p in Sega Holidays. Motor Distributors met with scattered support, T. C. Harrison, 70p and Caffyns, 112p, adding 4 and 5 respectively. Components, too, closed with a slight firming, James Woodhead rising a couple of pence to 96p, Dwyer 3 to 312p and Lucas 4 to 266p. Printing equipment manufacturers Hawthorn Baker spurted 4 1/2 to 178p following an agreed offer of 185p per share from Dunlop, a penny better at 65p. The bid values Hawthorn at around £12m. After failing to escape the

general downdrift on Monday, leading Properties made modest progress on a change in sentiment with Land Securities adding a couple of pence to 300p and Great Portland Estates picking up 4 to 514p. Elsewhere, renewed speculative demand took Bradford up 15 to 410p, up a penny on Monday, second thoughts about the reduced annual income left Marler Estates 1 1/2 cheaper at 43p.

BP improve

Oil leaders edged higher in quiet trading, British Petroleum improving 15 to 1280p and Shell 6 to 368p. Dollar premium influences lifted Royal Dutch a point further to 537 1/2. Among the speculative issues, Oil Exploration reacted at first to 450p before staging a useful recovery to close at 320p for a net gain of 6. Buying interest was shown in Siebens (UK) which gained 14 to 244p and Lamsa, 5 to the good at 246p.

Rothschild were again noteworthy in Trusts for a further rise of 5 to 245p in response to the preliminary results.

Imperial hardened a penny to 97p, a three-day gain of 3 in anticipation of good interim results tomorrow, but Rothmans ahead of the full results, eased a fraction to 69p.

Steady Australians

Australians were the most active in generally subdued mining markets, with prices generally holding steady, helped by the higher investment-dollar premium. Magnet Metals was a feature, rising 3 to 31p on U.S. buying. But the latest quarterly report from Consine Resources—down 3 at 183p on the Ashton diamond venture evoked little enthusiasm, Ashton Mining was 5 lower at 15p and Northern Mining fell 3 to 53p. EZ Industries were 10 higher at 190p following the overnight auctioning in Melbourne of a parcel of their shares by B.M. South, whose price slipped 2 to 87p. But North 3 1/2 harder at 93p after the statement of their 14.8 per cent stake in EZ. MIDM were 7 firmer at 177p, following the scrip issue proposals, while Oil Exploration lost 1 1/2 to 27p of their previous strong rise on consideration of the Griffiths gold prospect. Premium Financials, meanwhile, were mixed. Mizore rose 20 to 174p, South African and U.S. buying being linked to rumours of an oil field in the latter. De Beers lost 7 to 385p reflecting the latest CSO sales figures. Other South African Financials

FINANCIAL TIMES STOCK INDICES
Table with columns for July 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, Year ago. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS
Table with columns for 1979, Since Completion, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900, 1899, 1898, 1897, 1896, 1895, 1894, 1893, 1892, 1891, 1890, 1889, 1888, 1887, 1886, 1885, 1884, 1883, 1882, 1881, 1880, 1879, 1878, 1877, 1876, 1875, 1874, 1873, 1872, 1871, 1870, 1869, 1868, 1867, 1866, 1865, 1864, 1863, 1862, 1861, 1860, 1859, 1858, 1857, 1856, 1855, 1854, 1853, 1852, 1851, 1850, 1849, 1848, 1847, 1846, 1845, 1844, 1843, 1842, 1841, 1840, 1839, 1838, 1837, 1836, 1835, 1834, 1833, 1832, 1831, 1830, 1829, 1828, 1827, 1826, 1825, 1824, 1823, 1822, 1821, 1820, 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AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including titles like 'Abney Unit Tr. Mgrs. (a)', 'Aberdeen Unit Tr. Mgrs. (a)', and 'Aberdeen Unit Tr. Mgrs. (a)'. Each entry lists the manager, address, and various financial metrics.

Table of insurance and property bonds including 'Abby Life Assurance Co. Ltd.', 'Abey Life Assurance Co. Ltd.', and 'Abey Life Assurance Co. Ltd.'. Lists company names, addresses, and financial details.

Table of insurance and property bonds including 'Abey Life Assurance Co. Ltd.', 'Abey Life Assurance Co. Ltd.', and 'Abey Life Assurance Co. Ltd.'. Lists company names, addresses, and financial details.

Table of offshore and overseas funds including 'Alexander Fund', 'Allen Harvey & Ross Unit Tr. Mgrs.', and 'Aberdeen Unit Tr. Mgrs. (a)'. Lists fund names, managers, and financial data.

OFFSHORE AND OVERSEAS FUNDS

NOTES: This table includes a list of authorized unit trusts... and a note about the data source and accuracy.

NOTES: This table includes a list of insurance and property bonds... and a note about the data source and accuracy.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979	High	Low	Stock	Price	±	Yield	Vol.
95%	95%	95%	Treasury 3 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Electric 12 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Treasury 10 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Electric 10 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Treasury 8 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Electric 8 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Treasury 6 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Electric 6 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Treasury 4 1/2% 79-81	95.5	+	11.58	
95%	95%	95%	Electric 4 1/2% 79-81	95.5	+	11.58	

Five to Fifteen Years

1979	High	Low	Stock	Price	±	Yield	Vol.
95%	95%	95%	Treasury 12 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Electric 12 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Treasury 10 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Electric 10 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Treasury 8 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Electric 8 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Treasury 6 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Electric 6 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Treasury 4 1/2% 81-83	101.5	+	12.19	
95%	95%	95%	Electric 4 1/2% 81-83	101.5	+	12.19	

Over Fifteen Years

1979	High	Low	Stock	Price	±	Yield	Vol.
95%	95%	95%	Treasury 12 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Electric 12 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Treasury 10 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Electric 10 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Treasury 8 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Electric 8 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Treasury 6 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Electric 6 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Treasury 4 1/2% 83-85	101.5	+	12.19	
95%	95%	95%	Electric 4 1/2% 83-85	101.5	+	12.19	

Undated

1979	High	Low	Stock	Price	±	Yield	Vol.
95%	95%	95%	War Loan 1979	111.5	+	11.95	
95%	95%	95%	War Loan 1981	111.5	+	11.95	
95%	95%	95%	War Loan 1983	111.5	+	11.95	
95%	95%	95%	War Loan 1985	111.5	+	11.95	

FOREIGN BONDS & RAILS

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

BANKS & HP—Continued

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

CHEMICALS, PLASTICS—Cont.

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

ENGINEERING—Continued

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

AMERICANS

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

HIRE PURCHASE, ETC.

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

BEERS, WINES AND SPIRITS

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

BUILDING INDUSTRY, TIMBER AND ROADS

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

DRAPERY AND STORES

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102	102	102	Do. Warrants	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	
102	102	102	Do. Sec. 25.50	102	+	5.32	

ELECTRICAL AND RADIO

1979	High	Low	Stock	Price	±	Yield	Vol.
102	102	102	Hill Samuel	102	+	5.32	
102							

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Oil self-sufficiency hopes face delays

BY KEVIN DONE, ENERGY CORRESPONDENT

HOPES that Britain will be self-sufficient in crude oil production early next year are fading because of delays in offshore construction programmes.

The latest forecasts contained in the Department of Energy's annual report on the development of UK oil and gas resources suggest that production next year will reach only 85-105m tonnes, compared with the last estimate made in December of 90-110m tonnes.

UK oil output this year should total 70-90m tonnes, the Department said, compared with production in 1978 of 54m tonnes. By comparison UK oil consumption is forecast at 96m tonnes for 1979. Net self-sufficiency is unlikely to be reached before the second half of 1980.

Unlike earlier reports the latest "Brown Book" contains no statements on future North Sea oil policy. Mr. David

Howell, the Energy Secretary, stresses in the introduction that the report was prepared under the previous administration.

It goes to some pains, however, to urge oil companies to step up offshore exploration activity.

The report makes clear that only 37 exploration wells were drilled last year compared with 67 in the previous year. At the same time expenditure on exploration fell in 1978 to £257m against £374m in 1977.

Mr. Howell says in the report: "It is the aim of the present Government, that the vitally important further exploration work should go forward with increased vigour, so as to secure timely and successful development in the years ahead when production from existing fields begins to decline."

The first major changes in North Sea policy should follow in the next few weeks when

the Government completes its review of both licensing policy for new exploration territory and the future role and functions of the British National Oil Corporation in the offshore industry.

As much as 2.5bn tonnes of possible UK crude oil reserves lie in discoveries already made, according to the Department's report. Only a possible 0.9-1.8bn tonnes remain to be found in future discoveries.

Total UK crude oil reserves are estimated at 2.4-4.4bn tonnes (18-33bn barrels). Of this nearly 1.4bn tonnes lie in proven reserves in existing discoveries, which also hold a further 509m tonnes of probable crude oil reserves. A total of 106m tonnes was produced to the end of 1978 since output started in 1975 from the Argyll Field.

Details, Page 9; Editorial Comment, Page 16

Plea to monitor farm land buying

BY CHRISTOPHER PARKES

INSTITUTIONAL PURCHASES of agricultural land and investment in it from elsewhere in the EEC should be closely monitored, an official report recommended yesterday.

The report is by the Northfield Committee, set up 18 months ago by Mr. John Silkin when he was Agriculture Minister. It says that pension funds, insurance companies and buyers from overseas have been far less active in acquiring agricultural land than had previously been suggested.

It is not true that their interest has forced prices up to artificially high levels, the report maintains.

Against the popular belief in the industry that the so-called "new financial institutions" have been buying 15 to 20 per cent of land sold each year, the committee claims that the true figure is between 6 and 10 per cent.

Nonetheless, even though the institutions now own a mere 1.2 per cent of all agricultural land in Britain, close monitoring is called for by the committee.

It rejects the notion of restricting institutional purchases or interfering beyond strict monitoring in the activities of investors from other European Community countries, as long as their interest does not reach "unacceptable" levels.

Overseas buyers, the report says, probably own little more than 1 per cent of British land.

Still, legislation should be prepared to allow for action if necessary.

Lord Northfield, chairman of the committee, commented that land in Britain was sometimes only a third of the price asked in Europe. In many ways the UK was a "sitting duck" for foreign investors.

To control non-EEC investors, legislation should be prepared to oblige them to seek Government permission to buy land, the report says.

It largely dismisses most of the farmers' complaints about taxation. It agrees that under the existing regime many private owners of land will have trouble handing on their estates intact to their successors.

But, given current relief, only large-scale owner-occupied enterprises would have to resort to land sales to reduce or meet tax liabilities.

The committee complains that its work was greatly hampered by the scarcity of statistics on the land market, and recommends that, apart from the immediate institution of monitoring of sales to the newcomers to the market, the Government should establish a comprehensive land register, "with land use identified and beneficial interests visible."

Report of the Committee of Inquiry into the Acquisition and Occupancy of Agricultural Land, SO, 26.
 Feature, Page 16; Commodities, Page 27

TWA drops some flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRANS WORLD AIRLINES, one of the biggest airlines in the world, is cutting some flights between the U.S. and international destinations from the end of the summer, because of fuel shortages and soaring prices.

From October 8, a twice-weekly service between Boston and the Azores will be ended, together with a three-times weekly service between Lisbon and Casablanca, and between Barcelona and Nice. From October 28, a daily flight between New York and Shannon and Dublin will also be dropped.

These services represent less than 1 per cent of TWA's total capacity.

While fuel difficulties have caused some foreign and U.S. domestic airlines to reduce the frequency of some flights, this

is the first time that they have prompted a big international airline to drop destinations.

Other major airlines are known to be reviewing their schedules. All face cuts in fuel supplies of about 5 per cent world-wide.

British Airways has "lots of problems in lots of places," but has so far managed to keep its services intact.

But in the autumn it expects its supplies to be cut further, and will have to reconsider its flight schedules for the winter.

The most difficult areas for airline fuel seem to be the U.S., India and the Far East, with many flights having to make additional technical stops en route to pick up fuel.

TWA said in New York that the recent price increases by the Organisation of Petroleum

Exporting Countries would help lift its total system-wide fuel bill for 1979 to \$675m (£306m), up 42 per cent on 1978.

Fuel prices in the cities to be dropped from schedules, which only six months ago stood at 51 cents a U.S. gallon, were 86 cents on July 1.

If the airline continued flights to the destinations now axed, it would have to buy fuel on the spot market at more than \$1.25 a gallon, "which is not economically justifiable," said Mr. Neil Effman, TWA's vice-president, planning.

Many other world airlines have been obliged to buy fuel on the spot market to keep services intact. British Airways, for example, has paid up to 96 cents a gallon in some places, and reports of prices over \$1 a gallon are becoming common.

Faulty maintenance blamed for air crash

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

Faulty maintenance procedures causing both overload and metal fatigue in the pylon engine bulkhead assembly were a major reason for the crash of the American Airlines DC-10 airliner in Chicago on May 25, according to an official report by the Federal Aviation Administration (FAA) published yesterday.

At the same time, the FAA's examination of maintenance procedures used by some airlines, including American, also concluded that McDonnell Douglas, the manufacturer, "should re-evaluate the design of the entire pylon assembly to minimise design factors which are resulting in sensitive and/or critical maintenance and inspection procedures."

In its recommendation, the

report said that the inspection procedures laid down by McDonnell Douglas, under which the engine and pylon are removed separately from the wing, should be rigidly adhered to and that the use of hydraulic lock-fit mechanisms employed by American and Continental Airlines be discontinued and replaced with a more flexible cable supported lifting device.

Meanwhile it was still far from clear here when the FAA would announce its intention to restore the DC-10's airworthiness certificate, permitting the resumption of service inside the U.S. The FAA is bound to go to a federal court here 24 hours before any such action takes effect and the court may stay implementation of any FAA order.

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TGWU acts swiftly against union reform

BY ALAN PIKE, LABOUR CORRESPONDENT

TRADE UNION opposition to the Government's proposal changes in labour law was swiftly confirmed at the Transport and General Workers Union conference in Scarborough yesterday.

Within 24 hours of publication of the Department of Employment's working paper on proposed reforms, delegates adopted a resolution urging the TUC to mobilise maximum resistance to the measures and pledging full support for the strongest possible defence of basic trade union rights.

Delegates supported an executive resolution attacking the proposed changes, after Mr. Harry Urwin, deputy general secretary, argued that the measures were designed "not to reform trade unions but to weaken union bargaining power."

He warned that if the Government reduced legal protection on unfair dismissals, it must expect more industrial action to protect people. And if it was going to "rely on the policeman and the shyster lawyer," it must expect the TUC to pull out of voluntary arrangements.

However, what was intended by union leaders to be an impressive demonstration of unanimity against the proposals ended in uproar as the vote on the resolution was taken.

Mr. Frank Adams, a North West delegate, complained that no one had been invited to

speak against the motion. Mr. Stan Pemberton, the chairman, who first called Mr. Adams to the rostrum and was then overruled by shouting delegates, lost control of the proceedings amid noisy scenes.

Mr. Urwin is chairman of the TUC Employment Policy and Organisation Committee, which will next Wednesday consider a detailed response to the Government's working document on picketing, the closed shop and financing of union ballots, published on Monday.

Richard Evans writes: The Prime Minister indicated her determination yesterday to press ahead with legislation this session.

Mrs. Thatcher told the Commons that the trade union reforms had been given "an absolute mandate" by the electorate. The events of last winter had shown they were needed.

"I hope we will have everyone with us who believes that great powers should be matched by greater responsibilities," she added.

While Labour back-benchers were in full cry against the package of reforms on secondary picketing, union ballots and the closed shop, the Opposition leadership was much more circumspect. Neither Mr. Callaghan nor any of his front bench spokesmen directly attacked the proposal.

Parliament, Page 11

RCA ends talks on finance house link

By Stewart Fleming in New York

RCA, THE giant telecommunications and electronics group, and CIT Financial, the largest independent U.S. finance house, have ended the merger talks they began last week.

RCA had been expected to pay more than \$1bn for control of CIT.

Neither company gave any details of the reason for the breakdown. It had been suggested that the talks were moving slowly, and one possibility is that the companies could not agree on either the basic price or the package which RCA would offer CIT shareholders.

RCA had made clear for several months that it was seeking a major diversification into financial services, and its announcement of discussions with CIT, which controls an insurance company as well as consumer and business finance interests, fitted this strategy.

CIT had said it was not looking for a takeover but would not resist an offer which it thought fair to its shareholders.

One analyst with a leading stockbroker doubted whether RCA would now launch a hostile takeover for CIT, and said that for the time being the deal was dead.

Strike ballot off as Deep Duffryn pit is reprieved

BY ROBIN REEVES, WELSH CORRESPONDENT

SOUTH WALES miners called off their threatened ballot on strike action over the closure of the Deep Duffryn colliery in Mountain Ash, Mid-Glamorgan, yesterday following a National Coal Board decision to grant the pit a conditional reprieve.

The NCB's chairman follows blunt warnings by the National Union of Mine-workers, at their conference in Jersey last week, that a decision to press ahead with the closure would trigger widespread industrial action, not only in South Wales but Yorkshire, Scotland and possibly other coalfields.

Miners' leaders made plain they regarded Deep Duffryn as a test case of the NCB's policy to resist pit closures except where it has been established that reserves are totally exhausted.

The reprieve was announced by Mr. Emyrn Williams, the

South Wales Miners' president, at a special delegates' conference in Portcawl, convened to organise the pit-head ballot and campaign in support of the threatened colliery.

Mr. Williams told the meeting the board had decided to "accept the challenge" of Deep Duffryn's 450 miners that the pit, which has lost £7m in the past five years, could be made to pay again, by opening up a new coalface.

There have also been suggestions in the past few days that the Government indicated to the NCB it would prefer to see a showdown with the miners avoided. Together with the NUM, it is due to hold tripartite discussions on the industry tomorrow.

The precise terms of the reprieve have still to be worked out, but they involve a compromise on the NUM's original demand for investment of up to £5m.

Weather

U.K. TODAY
 Dry, sunny periods.
 London, S.E., Cent. S. England, E. Midlands, Channel Is.
 Sunny intervals, dry, some cloud. Max 23C (73F).
 Rest of England, Wales
 Mainly dry, cloudy, bright intervals later. Max 19C (66F).
 Isle of Man, N. Ireland, N.E. and W. Scotland
 Rather cloudy, sunny periods. Max 16C (61F).
 Rest of Scotland
 Dry, sunny intervals, variable cloud. Max 17C (63F).
 Outlook: unchanging.

WORLDWIDE TEMPERATURES

Y day	Y day	Y day	Y day
midday	midday	midday	midday
°C	°C	°C	°C
Aggieco S 26 75	London S 21 70	Carlu S 27 81	Roykirk R 6 33
Algers S 28 82	Los Ang. C 30 86	Dublin I 15 59	Rio J'o R 32 90
Amsdm. F 20 68	Lusmbg. C 16 61	Ednbg. I 17 63	Rome I 27 81
Bahrin S 29 102	Madrid F 32 90	Frankf. C 18 64	S'cisco C 32 90
Barcna S 29 84	Majorca S 30 86	Ganawa S 26 79	Singap. C 32 90
Batavia F 28 82	Mexico C 28 82	Gbrn. I 18 64	Sydney C 28 82
Belfast F 16 61	M'chstr C 17 63	Glasgow C 14 57	Sydney F 18 64
Belgr. C 23 73	Melbne. S 11 52	G'rsay F 16 61	Tanner F 18 64
Borin. C 22 72	Mex. C 22 72	Haginer. C 17 63	Tehran C 42 108
Brazz. C 25 77	Munich C 16 61	H. Kong S 31 88	Tel Aviv S 26 79
Brighton. C 17 63	M'ntreal. C 28 82	Innsbrk. F 20 68	Tenarife F 20 68
Blackp. C 17 63	Moscow F 22 72	Inverce. C 15 59	Tokyo C 29 84
Bombay. C 31 88	Munich C 16 61	I. Man. C 16 61	Toronto C 27 81
Brussels. F 16 61	Nairobi S 24 74	Istanbul. C 19 66	Venice C 24 75
Budap. F 20 68	Naples S 26 79	Jo'burg C 8 48	Vancouver F 17 63
Buenos. F 25 77	Niuea S 25 77	W. War. S 25 77	Winnipeg C 22 72
Case T. C 16 61	Paris F 21 70	Lisbon F 25 77	Zurich C 22 72
Chicago. F 27 81	Perth F 18 64	Lacama S 26 79	
Cheong. C 16 61	Pnag. C 12 54		

C-Cloudy, F-Fair, P-Fog, R-Rain, S-Sunny, St-Steat, Sn-Snow.

Continued from Page 1

Rhodesia settlement hope

The Lords debate for the Government last night, said: "It is my duty to warn in the plainest possible terms that the risks attached to a premature recognition of the new Government in Salisbury would be very serious indeed."

But right-wing Tory MPs are already protesting bitterly about the delay in recognising the Muzorewa Government.

In the Commons yesterday Sir Julian Amery, Mr. Stephen Hastings, and other back benchers, pressed the Government to accept the verdict of the Rhodesian elections and grant recognition.

Arguments broke out on the Government benches as other Tory MPs stood up to support the Government's cautious line. Mr. Terence Higgins, a former Tory Treasury Minister, insisted that the present constitution

could not be the basis for a permanent settlement. "It contains a number of highly discriminatory elements," he said.

Jurek Martin writes from Washington: An element of confusion surrounded the visit of Bishop Muzorewa to Washington yesterday. It was unclear yesterday afternoon whether he would go to Camp David today to meet President Jimmy Carter. U.S. Government officials have implied that this may happen, and the Bishop has cancelled a planned luncheon speech to the National Press Club to allow for such an eventuality, but neither the White House nor the sponsors of his tour here could say definitely that it had been arranged.

Similar uncertainty even involved discussions with Mr. Cyrus Vance, the Secretary of State, though all day the state department insisted that a

session had been set up for late yesterday afternoon.

Since the Bishop's visit is unofficial, the State Department declined to say what Mr. Vance would raise in the discussions. But it is considered here a strong probability that he will impress on Bishop Muzorewa the desirability of both expanding the democratic base of the current regime in Salisbury and of the need to enter into talks with leaders of the Patriotic Front.

Yesterday, the Bishop conferred with the AFL-CIO, the umbrella trades union organisation, lunched with the editorial board of the Washington Post and made two appearances on Capitol Hill, arranged by his principal political sponsor here, Senator Jesse Helms, the Conservative Republican from North Carolina.

THE LEX COLUMN

The music fades at EMI

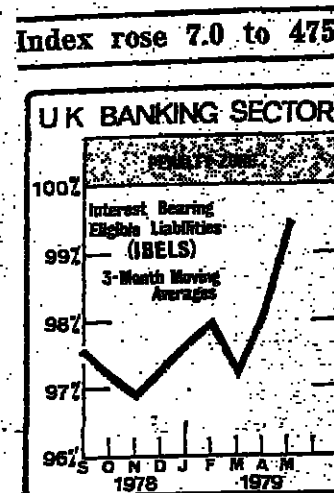
EMI's proposed sale of a half share in its worldwide music business to Paramount Pictures is an act of brinkmanship, performed with some panache. It brings home most forcibly the group's acute need for cash, which is obliging it to sell a chunk of its principal operating division, contributing around half group sales, at a time when the body scanner is proving a persistent drain on resources.

On the other hand, EMI has got a fairly handsome price: Paramount is paying around £62m and contributing a small business of its own to the joint venture, valuing the music division of EMI at nearly 15 times the average earnings of the last three years—a fair premium considering that at present it is losing money at a rate that drags the whole group into the red. The deal also allows EMI to stay in music, whereas a more obvious asset sale—hotels, maybe, or the defence electronics side—would have meant losing an entire division. Selling the scanner, as EMI may still do unless it picks up soon, would not have brought in enough to have an effect on gearing.

In comparison with recent profits, £62m is a very substantial sum: in 1977 EMI made £20m pre-tax, and in the year just ended the figure may have been up to £10m less. But set against the group's outflow of cash, Paramount's contribution looks modest. Net borrowings rose £42m in 1976-77, a further £26m in 1977-78 and £30m on top of that in the first half of 1978-79 alone. By the end of June this year the balance sheet must have looked horrifying. Unless both the scanner and the music business turn round quite quickly there will have to be more sales.

Paramount will gain from the joint venture a channel through which to market the music from its films and television programmes, which up until now it has been unable to exploit. However, this may not make it the ideal partner for EMI, which needs a more general repertoire of U.S. popular music. It remains to be seen how much cash Paramount will be prepared to spend to secure the expensive services of recording stars.

Yesterday the stock market was running and the growth in bank lending is now swelling an embarrassing growth in the banks' £bels. In fact, the banks' £bels will have to fall by well over 1 per cent in the current month if the banking system as a whole is not going to be dragged into the corset.



For the first time ever the banking system is having to face up to a banking corset which is actually starting to bite. The clearing banks, in particular, are feeling uncomfortable because borrowers that cannot get funds from other financial institutions are falling back on the clearing banks. In addition, the debiting of bank charges in the current month will add to the demand for credit.

Against this, the authorities have released obligations around £700m of special deposits this month and this should ease the pressure temporarily. After the last release of special deposits, the rate fell by 1 per cent in the following month. But before that the banks are going to have to cut back their lending as far as yet there is little sign that this is happening.

The next couple of months are going to be a testing period for the banks and the search goes for the authorities to supply targets. Judging by growth in eligible liabilities, it looks as if the money stock (sterling M3) grew by around 1.2 per cent last month, which means that over the last three months it has been growing at an annualised rate of 3.6 per cent plus. As the authorities conveniently omitted the first two months of the financial year from their 7.11 per cent target, the range there are no warning bells as yet. Even so, this rate of growth during a month when over £10m of gilts were sold is far from reassuring, and yesterday's central government borrowing requirement demonstrates that public spending continues to be worryingly buoyant.

Banking figures.
 It had to happen some time. For three out of the last six years the clearing banks have run rings around the banking corset but, as yesterday's figures showed, two of them have finally fallen foul of the corset during the June banking month. And if they do not look lively, the whole banking system will find itself in the penalty zone in the current banking month which ends a week today.

During the June banking month the banks' eligible liabilities rose by 1.2 per cent and interest bearing eligible liabilities (IBELS) rose by roughly 2 per cent. No longer can the banks rely on the earlier strange buoyancy of non-interest bearing deposits to keep them out of the corset.

The latter fell for the second month running and the growth in bank lending is now swelling an embarrassing growth in the banks' £bels. In fact, the banks' £bels will have to fall by well over 1 per cent in the current month if the banking system as a whole is not going to be dragged into the corset.

Pilkington
 Making profit forecasts in the middle of pay negotiations is decidedly tricky, and Pilkington is not giving much away in its annual report. But it is clear that there are some buoyant areas of demand in the UK home improvements area now reckoned to account for 30 per cent of the float glass sales, while floatglass insulation is still growing fast. Capital spending will rise from last year's £87m to around £100m and the group seems confident that it will not have to finance this out of borrowings.

Given that last year net cash flow was roughly in balance with spending on fixed and working capital, it looks as though Pilkington is reasonably happy about the short term trend. The group balance sheet remains impressively strong, with funded debt of only about a fifth of capital employed, and net cash of over £30m.

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